

Nomination of John M. Word III for NAHU 2021 Harold R. Gordon Memorial Award

Nominee's Name: John M. Word III, CLU, RHU, REBC, co-founder of Word & Brown General Agency, CHOICE Administrators, and The Word & Brown Companies, Orange, California
Degree of Nominee: B.A., William Jewell College, Liberty, Missouri

Supporting Statement of Accomplishments:

Introduction

John M. Word III, co-founder of the Word & Brown General Agency, CHOICE Administrators, and The Word & Brown Companies, is renowned as an entrepreneur and visionary in the health insurance and employee benefits industry. His work with co-founder Edward J. "Rusty" Brown, Jr., transformed the insurance broker's role in the small business health benefits marketplace in California – and across the country. He merits serious consideration for the **NAHU 2021 Harold R. Gordon Memorial Award**.

Below is a summary of why.

Early Career

John Word began his career as a licensed insurance agent in the 1970s, excelling in life insurance sales to individuals. He later expanded into selling health insurance plans to small businesses. In the early 1980s, John met future business partner Edward J. "Rusty" Brown, Jr. and the two formed the Word & Brown General Agency (formally Word & Brown Insurance Administrators, Inc.) in 1985.

In the days before the Internet and widespread use of personal computers, John saw the need to systemize processes, take available technology in the health industry, and add efficiencies to it. After tediously piecing together small group quotes that were not just competitive (though based on available underwriting guidelines), he identified the need to integrate carrier underwriting within a small group quoting engine and deliver an accurate insurance quote to small business customers. The result was Quot-O-Matic®, an innovative software solution that accurately consolidated insurance benefit plans and rates to allow small business brokers to easily assemble multi-carrier quotes for client presentations.

This technology revolutionized the role of health insurance brokers in California, as they were – like never before – able to quickly, accurately, and with guaranteed quotes, find quality health insurance at the best price for their clients. This led to tremendous growth for the Word & Brown General Agency and recognition for the firm as one of the nation's most successful independent insurance distributors in 1986 – just one year after Word & Brown was founded.

A Family Business – and a Family Atmosphere

From the beginning, John and Rusty knew they wanted to nurture a family environment at their new company, and they wanted to build a business that would create a legacy for their families. They sought to hire employees who could grow with the organization, and who shared their values about the importance of service to brokers and the clients they serve. That philosophy, "Service of Unequaled Excellence," runs deep and is the basis for the organization's quarterly employee recognition program established in 2001.

The "family" connection at Word & Brown applies to the co-founder, his children, and other employees. Three of John Word's children have worked at Word & Brown at one point during their careers. John's daughter, Jessica, is the current president of the Word & Brown General Agency. She was promoted in April 2013, after having worked across the organization in a variety of roles since 1995.

Many employees from the early days of the company continue to work at Word & Brown today. The company's long-time Director of Compliance, Barbara Lewman, retired in September 2019 after 32 years with the organization.

The Word & Brown Companies take great pride in employee tenure as demonstrated by the number of employees with the companies for more than five years:

- 5+ years with the organization: 141
- 10+ years with the organization: 79
- 15+ years with the organization: 87
- 25+ years with the organization: 14
- 30+ years with the organization: 11

The Word & Brown Companies also have six married couples among its ranks (where both work for the organization), nine parents with a child employed by the companies, 10 employees with sibling who work in the organization, and five sets of employed cousins. Word & Brown is definitely a *Family of Companies*.

Innovation and Leadership

As noted above, Word & Brown's breakthrough quoting technology, Quot-O-Matic, was only the beginning of many accomplishments. Introduced in 1985, it was the first technology to embed underwriting guidelines within the quote – giving brokers a way to validate group and member-level eligibility and avoid surprises for their small business clients and enrolling employees.

The Word & Brown sales and service infrastructure in 1985 included:

- The only quoting system or General Agency to offer a 24-hour turnaround for quotes. There was no online quoting available at that time, so turnaround (then and now) is very important.
- Access to a top-notch underwriting team that is both quick and efficient.
- Contracts with carriers that allowed Word & Brown to produce quotes matching the rates used in carrier-direct quotes.
- Partnership agreements with leading insurers, so groups and employees have access to products from the carriers they want.

Many other Word & Brown innovations followed, including:

- **1986:** Created a COBRA division, becoming the first company in the nation specializing in COBRA compliance and administration.
- **1990:** Introduced a Flexible Benefit Plans division to assist businesses with Section 125 Flexible Benefits administration and disbursements.
- **2001:** Launched Internet-based COBRA services.
- **2006:** Online quoting is introduced, enabling brokers to compare health plans, rates, and benefits and generate customized proposals instantly using the Word & Brown website.
- **2007:** Introduced a no-cost agency management system, *AgencyWow*, to brokers.
- **2009:** *HRWow*, an online human resources administrative services program, is added, giving brokers the ability to offer no-cost HR services to small business clients.
- **2014:** WBQuote, a new version of Quote-O-Matic, is launched.
- **2017:** Added Kaiser Permanente to its small group portfolio.
- **2018:** Launched WBQuote *Lite*, Word & Brown's mobile quoting engine is launched.
- **2018:** Introduced Large Group quoting and enrollment.
- **2020:** Launched WBBroker, the Word & Brown broker mobile app.

Beyond creating the Word & Brown General Agency, John Word and Rusty Brown also developed other businesses as part of The Word & Brown Companies. The most prominent is CHOICE Administrators, the parent organization of the CaliforniaChoice multi-carrier, private health insurance exchange, and ChoiceBuilder, the multi-carrier ancillary benefits exchange.

Through CaliforniaChoice, John and Rusty expanded the Defined Contribution concept and applied it to group health insurance – enabling businesses to determine what amount they want to contribute to their employees' health insurance. Today, CaliforniaChoice and ChoiceBuilder offer coverage to more than 450,000 members statewide.

The achievements of other Word & Brown Companies include:

- **1996:** CaliforniaChoice, the state's first private small group health insurance exchange is launched.
- **2003:** CONEXIS, a nationwide web-based benefits administrator focusing on COBRA and Flexible Benefits, is launched.
- **2004:** CaliforniaChoice expands with the launch of CaliforniaChoice 51+, serving businesses with 51 or more employees.
- **2007:** The California Rx Card discount prescription program is launched.
- **2008:** The Nevada Rx Card discount prescription program is launched.
- **2008:** The Word & Brown Companies acquire Quotit, a leading online quoting application service provider for brokers.
- **2009:** ChoiceBuilder, the first ancillary-only benefits exchange, is launched.
- **2009:** HealthCompare.com is introduced to help individuals and families research, compare, and enroll in health care.
- **2010:** Joppel.com is launched to help individuals, family members, and caregivers research and enroll in Medicare Advantage and Medicare Supplement plans.
- **2012:** Word & Brown Brokerage, a field marketing organization specializing in Medicare, is launched.
- **2012:** Recognized by **The Orange County Register** as one of Orange County's Top Work Places.
- **2017:** The Word & Brown Companies announce the sale of HealthCompare, Quotit, and a book of Medicare- and IFP-focused business to National General Holdings Corp. (Nasdaq: NGHC)
- **2018 and 2020:** The Word & Brown Companies earn HITRUST CSF certification, the most prestigious certifiable security framework for the health care industry.
- **2020:** Recognized, again, by **The Orange County Register** as one of Orange County's Top Work Places.

Industry Leadership

John Word has been active in the insurance industry for more than four decades and has served as a leader for local, regional, and national organizations, including:

- Orange County Association of Health Underwriters (OCAHU) president (1988-89)
- California Association of Health Underwriters (CAHU) president (1991-92); John was also responsible for the first CAHU trade show while association president
- National Association of Health Underwriters (NAHU) Leading Producers Round Table, Budget Chairman (1991-93)
- NAHU Leading Producers Round Table Awards Recognition Committee (1992-1993) and member of NAHU Leading Producers Round Table (1992-2020)

John has addressed thousands of industry professionals at events for all of these organizations. He also show his financial support, donating a combined \$75,000 to NAHU's HUPAC in 2020 and 2021. More than \$704,600 has gone to support Health Underwriter Associations nationally and regionally as well as insurance industry-related organizations in the past 20 years.

John is a leading expert on health insurance and employee benefits. He has authored papers and by-lined articles for a variety of regional and national publications, including but not limited to the following:

- **Agent's Sales Journal**
- **Broker World**
- **Business Life**
- **California Broker**
- **Employee Benefits Journal**
- **HIU Magazine** (published by the National Association of Health Underwriters)
- Information Technology & Internet Business Report for the 21st Century
- **Inland Empire Business Journal**
- **Los Angeles Business Journal**
- Smart Workplace Practices for Bosses
- **Riverside Business Journal**

Regional and National Recognition

For his contributions to the health insurance and employee benefits industry, John Word has received multiple awards, individually and jointly or as an honoree representing Word & Brown or The Word & Brown Companies:

- Ernst & Young Healthcare Entrepreneurs of the Year (shared with Rusty Brown, 2001; recognition for industry contributions and innovation, including development of Quot-O-Matic quote engine, launch of COBRA and Flexible Benefits administration businesses, and creation of California's first private health exchange, CaliforniaChoice)
- Health Insurance Association of America (HIAA) Innovators Award (2002)
- United Way of Orange County Community Excellence Award (presented to John Word, Rusty Brown, and The Word & Brown Companies, 2006)
- United Way of Orange County Community Cornerstone Award (presented to John Word, Rusty Brown, and The Word & Brown Companies, 2007)
- OCAHU Pinnacle Award, Inaugural Recipient (2009; this award honors an individual whose involvement, leadership, vision, dedication, and spirit have significantly contributed to the growth and success of the insurance industry)
- National Association of Health Underwriters (NAHU) Leading Producers Round Table (Lifetime; 30-year member; Golden Eagle and Soaring Eagle award recipient, presented to John Word and The Word & Brown Companies, 1991-2020)

John has also received recognition for his charity support, as described below.

Philanthropy

In addition to his professional achievements, John Word is a philanthropist who gives back to a number of organizations. His support includes personal giving, donation of his time, support by the organization at large, and support and service by employees. During the past 20 years, charitable contributions exceed \$3.5 million for all causes.

Providence Speech and Hearing

John joined the Board of Directors at Providence Speech and Hearing Center in 1976. He has served continuously, including as Board President, Vice President, and Committee Chair (including the Governance and Development committees). John's input and involvement in the construction of The Providence Building medical office space in the early 1980s proved to be visionary and attainable at a time when fewer non-profits existed in the community.

During his 45 years on the Board, John Word, co-founder Rusty Brown, and The Word & Brown Companies have contributed millions of dollars to the non-profit.

From 1965 until 1985, Providence Speech and Hearing Center operated from six small, old Spanish-style houses across the street from St. Joseph's Hospital. The non-profit's current building was built in 1985. From 1985 through 2010, Providence Speech and Hearing Center had a single location in Orange and provided 18,000 appointments per year.

Through the guidance, commitment, and generosity of supporters and its Board of Directors, Providence Speech and Hearing Center has grown to eight locations throughout Orange and Los Angeles counties. In 2011, Providence acquired the Newport Language and Speech Centers (Mission Viejo, Cerritos, Fountain Valley, and Fullerton) to expand its reach. Since then, Providence has continued to grow adding locations in Newport Beach and Huntington Beach at Hoag Health Centers. In 2018, Providence acquired The Children's Learning Center in Garden Grove. Providence will provide more 150,000 appointments this year and serve more than 17,000 patients. The current CEO says, "There is no doubt that none of this would have been possible without the incredible leadership of John Word and our Board of Directors."

With a \$500,000 donation, The Word & Brown Companies kick-started Providence's capital campaign to fund a \$2.5 million expansion/renovation project, and in May 2007, the Word & Brown Hearing Center at Providence opened in their honor. This successful campaign expanded the center to 18,000 square feet, more than doubled patient capacity, and provided funds to increase services and purchase new state-of-the-

art audiology and speech equipment to help those of all ages and income levels with communicative and hearing disorders.

For John's longstanding support of Providence Speech and Hearing Center, he was honored with a Lifetime Achievement Award in 2005.

Employees of The Word & Brown Companies regularly lead and serve on the Providence Speech and Hearing Center Board of Directors and committees, and lend support for Providence's fundraising events, including its Annual Golf Classic and Annual Benefit Gala.

United Way of Orange County

John Word is a 20+ years supporter of the United Way of Orange County. He is a multi-year Board member and a past Chair of the Board of Directors. John has advocated for employee support of the United Way for decades and annually donates a 50% match for the companies' employee contributions. United Way of Orange County honored The Word & Brown Companies for its support with a Community Cornerstone Award in 2007. Word & Brown and its sister companies have contributed millions to the United Way.

Operation Drumstick

In 1996, The Word & Brown Companies initiated its own in-house fundraising project to benefit the community's needy. Operation Drumstick was launched as the result of employee Barbara Lewman's appeal to Word & Brown's co-founders to help her raise funds to provide meals at Thanksgiving through the Orange County Rescue Mission. Barbara says she felt empowered to ask for support in 1996 because of the company culture of giving exemplified by John Word and Rusty Brown.

She asked for permission to recruit volunteer cooks from the employee ranks who would make a favorite main dish, side dish, or dessert to be served in the company kitchen. At that time, the company had only a single kitchen because the entire staff was approximately 50 employees. The goal was to ask employees to donate generously whatever amount they would normally pay for lunch – and more – to support the Mission's holiday meals campaign. What was conceived as, perhaps, a one-time event became an annual tradition and fundraiser continuing today. It also led to other events throughout the year, including a bake sale and Nachos Bar.

In the past 25 years, through Operation Drumstick events, the Companies have donated more than \$67,000 to the Mission and other charities, including:

- America's VetDogs
- California Wildfire Fund
- Convoy of Hope
- Cystic Fibrosis Foundation (with additional donations through Word & Brown's 20+ years of support and participation in an annual OCAHU charity golf tournament)
- Wounded Warriors

In appreciation of her loyalty and dedication, The Word & Brown Companies have designated September 30th each year since her retirement as "Barbara Lewman Day," when we annually make a \$2,500 donation to her charity of choice.

2020 PPE Mask Donation

In response to COVID-19, The Word & Brown Companies donated 20,000 Personal Protective Equipment (PPE) masks to St. Joseph Hospital Orange in May 2020. This was at a time when PPE was in short supply for health care workers. The masks supported the physicians, nurses, staff, and visitors at one of the largest and busiest hospitals in Orange County.

An additional 25,000 masks were distributed to employees and family members of employees of the Companies, and 5,000 masks were distributed to regional Word & Brown General Agency offices to donate to local communities throughout California and Nevada.

Other Donation Beneficiaries

John Word, Rusty Brown, and employees of The Word & Brown Companies have also made donations to support other worthwhile non-profits, including:

- 9/11 Fire Fighters Fund
- American Cancer Society
- American Heart Association
- American Red Cross
- Beckstrand Cancer Foundation
- Boys and Girls Clubs of America
- Community Animal Rescue Effort (C.A.R.E.)
- Corazon de Via
- Illumination Foundation
- Insurance Industry Charitable Foundation
- Juvenile Diabetes Research Foundation
- Make-A-Wish Foundation
- Mission Hospital Foundation
- Orange County Coastkeeper
- Save the Children
- Special Olympics
- Susan G. Komen Foundation

Philanthropy Recognition

The Orange County Chapter of the Association of Fundraising Professionals honored John Word and Rusty Brown on National Philanthropy Day in 2015. The two were also recognized, along with The Word & Brown Companies, as standout philanthropists by the ***Orange County Business Journal*** in the publication's **Giving Guide** in 2016.

A Deserving Nominee

For both his professional work and his philanthropic support, I believe John Word is worthy of recognition for the **2021 Harold R. Gordon Memorial Award** from NAHU. Like Harold Gordon, John Word is a visionary who has made our industry (and our community) better.

If you have any questions concerning information included in this nomination, please do not hesitate to contact me.

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