

It's All About Flexibility

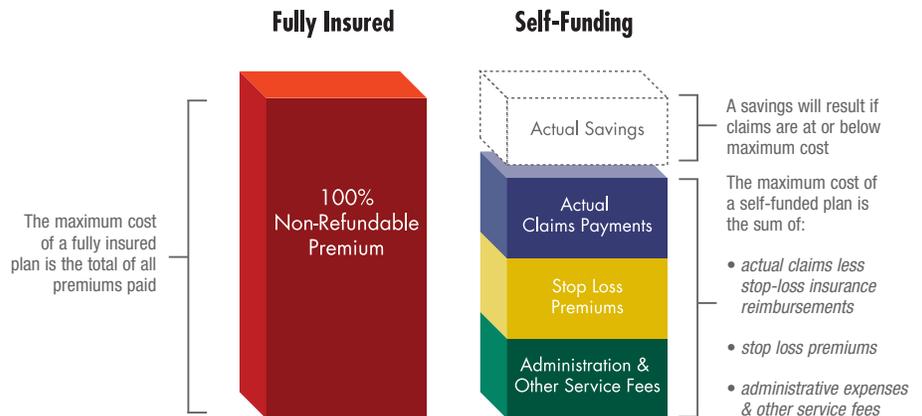
In contrast to an off-the-shelf insurance plan...

- Self-funding offers total flexibility in plan design.
- The needs of a covered group can be addressed in detail.
- Opportunities to lower costs increase when profit margins built into non-refundable premiums are avoided.

When we help a client self-fund...

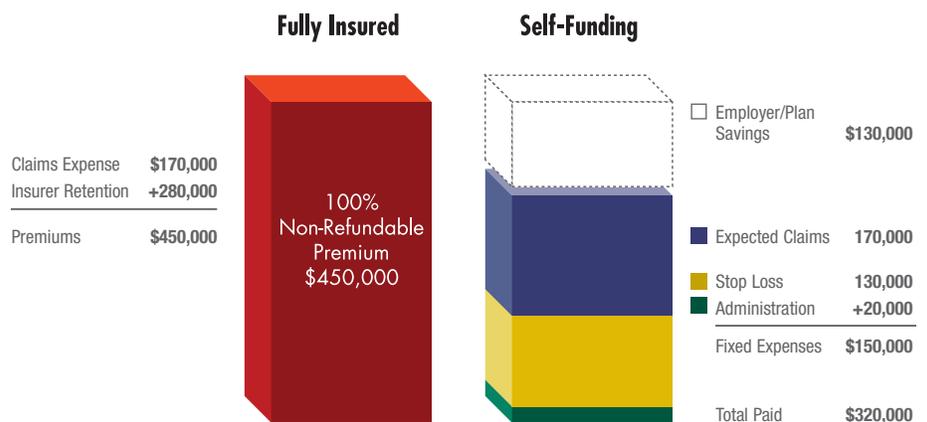
- We begin by helping them determine the amount of risk they can afford.
- Then we help secure appropriate levels of specific and aggregate stop loss insurance to insure for those claims that exceed anticipated levels.

The Opportunity To Reduce Costs



How Self-Funding Works

This case study features a 65-life group in a mature claims year. If this plan were fully insured, the employer would pay annual, non-refundable premiums of \$450,000. If claims totaled \$170,000, the carrier would retain \$280,000 in profits and reserves.



If this plan were self-funded, the employer would deposit \$150,000 or \$12,500 per month for fixed expenses (administrative fees and stop loss premiums), and then fund claims up to their monthly aggregate limit. While the claim fund will fluctuate throughout the year, a savings of \$130,000 would result. This money would belong to the plan, along with any earnings realized on the excess claim funds.

And Potential Savings

Not Just For Big Companies

While self-funded health plans are more common among firms with 100 or more employees, most of the recent growth in self-funding has come from companies with as few as 25 employees. The only real way to determine if self-funding is appropriate for your organization is to review a current employee census, premium rate history or actual claims experience if the data is available. We can provide this analysis at no cost or obligation.

While large insurance carriers would like you to believe otherwise, self-funded plans also benefit from competitive direct contracting with local and regional provider networks. Agreements with national wrap-around networks help us provide competitively priced medical care to employees based in other parts of the country.

Full Service Administration Is Assured

As benefits administration specialists, we handle all the administrative concerns associated with a self-funded health plan, including employee



enrollment, claims administration and management reporting.

We provide ID cards, plan booklets and help introduce the plan to covered employees. And with easy access to our call center and online tools, our self-funded clients notice little difference in the way their healthcare plan operates.

Future Claims Can Be Avoided

Today, we've advanced well beyond plan design and administration to help our clients manage the risks and future costs of healthcare.

- Predictive modeling technology enables us to weigh complex variables and identify the factors driving health plan costs higher.
- We're using needs assessments, chronic disease management and healthcare coaching to help improve the health of covered groups.
- Employees and dependents receive the personalized care they need, and in some cases, symptoms can be identified early enough to help a plan avoid costly claims.



Discover the Benefits Today...

As advances in technology continue, predictive modeling and wellness will play an ever-expanding role in managing the risks and future costs of healthcare. Working with us means your employees will have access to these strategies.

To learn how self-funded health benefits can increase employee satisfaction and control costs in the future, ask your agent or contact our marketing staff today.