

Case Example 2

The subject of this case example is a small electrical contractor with 35 employees, 12 families and 23 individuals. In order to compete for quality workers, the employer feels it is important to offer benefits. However, as a small-business owner, the employer is concerned about costs. The employer has been offering a plan to its employees, for which, it pays half of the premium for single coverage. The plan is compatible with health savings accounts (HSAs), and the employer also contributes \$75/month to each employee's HSA. After an increase at renewal of 15%, the employer decides to investigate other options.



EMPLOYER

	Before National General Benefits Solutions	After National General Benefits Solutions
Summary	<p>Employer only offers a health plan with no ancillary coverages.</p> <p>Enrollment is done via census.</p> <p>The employer distributes the plan summary and attempts to answer questions from employees based on his own knowledge and experience.</p>	<p>The employer decides to move to a defined-contribution plan and make money available to the employees to purchase their own coverage.</p>
Plans & Premiums	<p>A traditional, fully-insured, high-deductible health plan (HDHP) that is HSA compatible with deductibles set at \$2500/\$5000 deductible premiums are \$319 for EE only and \$820 for family coverage.</p> <p>Employer pays 50% of EE - only costs and adds \$75/month to the HSAs.</p> <p>Total cost = \$8,207.50/month, \$98,490/year</p>	<p>The employer keeps its current contributions the same at \$234.50 PEPM, a 15% savings versus renewing.</p> <p>The employer has also prevented further increases dictated by the insurance carrier. Employees are free to choose their own plans from the carriers of their choice.</p>
Communication, Enrollment & Administration	<p>Employer enrolls employees via spreadsheet and the carrier's website. Plan summary and descriptions are distributed by the employer who also answers any employee questions.</p> <p>The broker holds a group meeting once a year and is available to the employer via email and phone.</p> <p>The carrier provides support via phone and email for billing and coverage questions.</p>	<p>OmniPoint platform simplifies the enrollment process and provides additional information on the plans 24/7 for all of the employees. It connects them to the federal or state marketplace for subsidy eligibility and all of the plans available in their zip code.</p>

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EMPLOYEE

	Before National General Benefits Solutions	After National General Benefits Solutions
Summary	Employees appreciate that their employer offers a health plan and contributes to both their premiums and HSAs. However, many are interested in additional coverage to offset the HDHP costs as well as products like dental and life insurance.	Employees are excited about the savings and access to additional coverage options. Many of them are able to afford new supplemental coverage with the savings on health premiums. They also appreciate the ease and access of information on the shopping platform.
Plans & Premiums	<p>For a traditional fully insured plan:</p> <p>Employee cost for 50% of coverage is \$159.75/month.</p> <p>Family coverage costs employees \$660.25/month.</p> <p>Total cost of \$11,591.50</p>	<p>Average employee cost for silver level coverage is \$238/month.</p> <p>Average family cost for silver level coverage is \$771/month. <i>(Does not include potential premium tax credits)</i></p> <p>After factoring in the employer contributions, the total cost is \$6,518.50.</p> <p>13 employees buy employee-only ACC/CI, 10 buy dental, 7 buy family ACC/CI coverage, 6 choose family dental and 3 add life policies for a total additional premium of \$1,601.80.</p> <p>Grand total premium = \$8,120.30/month, a savings of \$3,471.20 over the previous health plan</p>
Communication, Enrollment & Administration	Employees' premiums are payroll deducted, and when they have questions about the plan, they ask their employer.	Employee premiums for all plans are paid by ACH and access to information on the plans is available 24/7 on the portal. The employee owns the plan and can take it with them if they ever leave their job.

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BROKER

	Before National General Benefits Solutions	After National General Benefits Solutions
Summary	The broker has done a good job of offering alternatives to traditional insurance to help keep the costs affordable for the employer.	The broker retains a satisfied client while taking advantage of voluntary benefits sales on the enrollment portal.
Commission	The broker earns \$25 PEPM for a total of \$875/month or \$10,500/year.	<p>The broker earns 30% of the revenue generated from the individual sales made through the call center for a total of \$530/month or \$6,360/year on the health plan and adds an additional \$709.50/month or \$8,514/year* of first-year commission from the supplemental sales.</p> <p>Grand total for the case is now \$1,239.50/month or \$19,014 for the first-year!</p>

Not an actual case - presented for illustration only. Monthly costs and commissions earned will vary. Example assumes the before scenario as a traditional fully insured plan.

* Additional commissions shown based on supplemental sales.