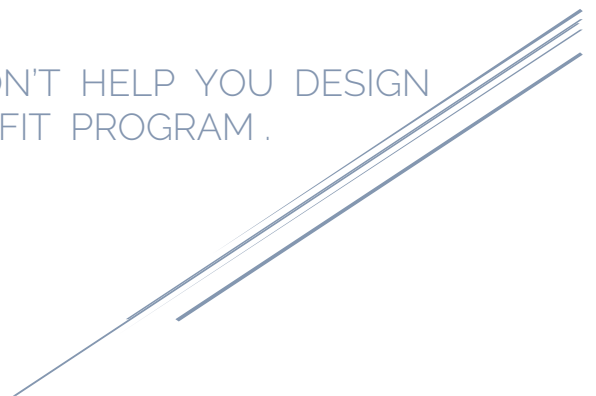


# Choosing the Right Benefit Partner



BEING INFORMED WON'T HELP YOU DESIGN  
A COMPETITIVE BENEFIT PROGRAM.  
BEING ADVISED WILL.





Many employers look at employee benefits as a commodity, bidding out their plans annually -- and who can blame them? Rising health care costs, coupled with a challenging economic environment, have forced many human resources decision-makers to focus heavily on cost.

Organizations of all sizes struggle to find a balance between cost considerations and a strategy-based approach to benefit planning. Creating a competitive benefit plan, though, can directly affect employee acquisition, retention, productivity, and training. All of which significantly impact employer costs. Identifying the right advisor to assist you in successfully navigating that process is critical.

## Moving Beyond the Bid

The health care and benefit landscape for some employers in South Carolina continues to be in a state of flux, challenging employers to look for more effective ways to control the costs of employer-sponsored health care coverage, stay compliant with changing regulations, recruit and retain quality employees, and administer their benefit and HR programs.

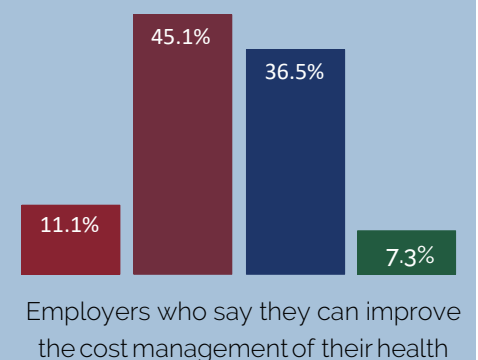
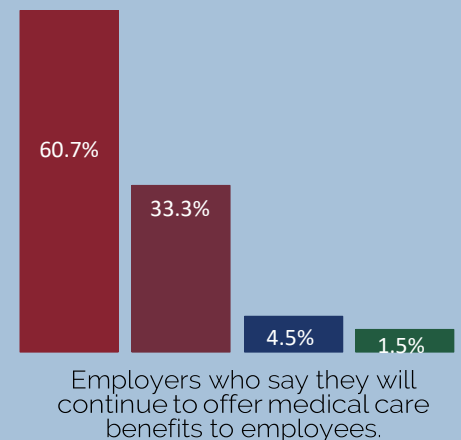
The vast majority of employers want to continue to provide health coverage for their employees and recognize the tremendous value in making health care coverage available to employees who would otherwise be faced with purchasing it on their own. However, the most prevalent cost-containment strategies used by many brokers continue to be simply reducing plan benefits and cost-shifting, putting a great deal of stress on both the organization and its employees.

Employers understand that it is more important than ever before to keep benefit plan documents and policies up-to-date and to ensure that office staff follow new procedures. However, because of the steady stream of changes to federal laws, it is becoming an increasingly challenging task for employers to keep their organizations compliant and avoid government penalties and participant litigation.

As benefit plans become increasingly complex and plan administrators assume a broader range of responsibilities, effectively communicating the value of a benefit program also presents a continuing challenge. Regardless of how good a benefit program may be, if participants don't understand their benefits or recognize their worth, they won't use their benefits to maximum advantage.

Many employers are struggling and confused because their broker doesn't have the expertise, resources or the time to keep up with the changes taking place in today's benefit marketplace. Employers who want to become more informed and confident in their benefit decisions should seek the advice of a qualified advisor.

94% of employers indicate they are confident they will continue to offer health care benefits. However, only 11% of employers are very confident they can improve the cost management of their health care plan.





The best advisors know that earning your organization's employee benefit business shouldn't be a strict bidding process. Cost is just one aspect of a comprehensive strategic approach to offering your employees the right benefits for the best overall value while maintaining compliance with ever-evolving employment laws and regulations.

And while it is true that a bid process can create a competitive environment that helps buyers evaluate price/value relationships, the bidding process can actually work against employers because:

- Pricing obtained through a bid process may not represent the best the marketplace has to offer. Like most businesses, insurance underwriting departments are being forced to do more work with fewer resources. They simply don't have time to give every potential account their best effort, especially if they see the same account being repeatedly shopped through the marketplace by several brokers.
- The “come one, come all” approach works against the buyer. As a rule, most carriers work only with contract and licensed brokers. To level the playing field among brokers, the carrier provides each broker with the same quote once they receive census data and establish a rate. The downside: Though the rate is the same, there is no way to know which broker will best service the account.
- The buyer has diminished marketplace leverage. To avoid the “shopping around” perception, some buyers opt to divide brokers across specific markets. This tactic reduces market chaos, but produces far greater drawbacks. A divide and conquer approach will often deny brokers from pursuing the markets in which they have the strongest relationships. Limiting a brokers' ability to communicate with all insurers also denies them the leverage to negotiate the best possible rates.
- The likelihood of coverage deficiencies increases. When buyers ask brokers to bid, benefits often take a back seat to price. As a consequence, the task of identifying deficiencies too often falls on the buyer -- a problem made worse by the fact that proposals are typically presented in a way that makes it nearly impossible for buyers to make apples-to-apples comparisons.
- The buyer's focus shifts from “total cost of risk” to premium. While it is important to carefully consider premium, it is critical for insurance buyers to understand and stay focused on the total cost of risk (COR), which also include:
  - Losses below a set deductible
  - Losses with a self-insured retention
  - Losses in excess of policy limits
  - The program's administrative costs, including claims/loss control
  - Lost productivity
  - Retraining expenses

The bottom line: It is possible for the lowest premium to actually result in the highest overall cost.



## Which Came First: The Advisor or the Carrier?

When seeking out employee benefit plans, separate the advisor decision from the insurance company decision. Selecting an advisor first ensures that fact-gathering, coordination, and analysis activities fall on the advisor, not the buyer, who may not have the time, level of expertise, or industry contacts needed to secure the best possible terms.

Selecting the right advisor first can potentially create a greater positive impact on the cost, value, and effectiveness of an organization's employee benefits package than any individual within the buyer's organization.

### Things to look for in an Advisor:

- Knowledge of your industry and individual organization
- Marketplace knowledge and leverage
- Carrier relationships
- Chemistry with your team
- Personnel quality and depth
- Accountability for results
- Approach to program design, implementation, and innovation
- Ability to communicate clearly and concisely
- Scope, quality, and cost of services
- Credible benchmarking data
- Compliance knowledge and education



*United Benefit Advisors is the nation's leading independent employee benefits advisory organization.*

United Benefit Advisors® (UBA) is a Partner-owned alliance of nearly 140 premier independent benefit advisory firms. With more than 200 offices throughout the United States, Canada, and the United Kingdom, UBA ranks in the top 10 in global employee benefits revenue.

UBA Partners — who actively collaborate with more than 2,000 experienced benefits professionals — are uniquely prepared to share their collective wisdom with busy employers who want the assurance that they are making informed choices that improve the lives of their employees and their families.

UBA Partners and their clients collectively produce an annual health plan benchmarking survey that includes responses from more than 18,000 health plans sponsored by nearly 10,000 employers nationwide. It is by far the most comprehensive, validated survey of medical plan design and plan costs currently conducted.

The UBA Health Plan Survey provides small to midsize employers with valuable benchmarking data that previously were only available to large corporations. By using this data, advisors who are Partners of UBA can help employers more accurately evaluate costs, contrast the current benefit plan's effectiveness against competitors' plans and adjust accordingly. This gives employers a distinct competitive edge in recruiting and retaining a superior workforce.

UBA also sponsors the Benefit Opinions Survey, which delineates employers' positions on health care strategy, benefits philosophy and opinion, health plan management, employee communications and more.





# Menu of Services Platform

Employee Benefits Risk

## Core Mission

Your Risk – Our Passion

Make It Easier To Administer

Make It Cost Less

Increase My ROI - Employee Satisfaction

Successful ACA Navigation

Create Some Certainty in an Uncertain World

## Holistic Risk Management

Risk Management Utilizing the  
ECM Proven Process

- ❖ Business Risk
- ❖ Employee Benefits Risk
- ❖ Disease Management

- ❖ Personal Risk
- ❖ Wealth Management
- ❖ Captive Management



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