



Helping you keep more of what you make – Multiple Employer Welfare Arrangement, Associated Builders and Contractors plan and United Healthcare

The Situation:

Client: Full-service design & build commercial contractor, specializing in financial institutions, including banks and credit unions. Providing start-to-finish construction services, from concepting and design through building, furnishing and maintenance after completion.

Needs: Strategies to reduce cost on their \$118,420+ annual premium group medical plan.

Plan: Fully Insured PPO

Analysis:

Client is a closely held business that has over 25 employees and is working hard to thrive in the competitive economy. The rising cost of insurance specifically group medical had been a source of concern for the owners. While providing benefits was important, the annual 15%+ rate increases were putting pressure on the bottom line. To no avail, they had tried conventional strategies such as; reducing benefits and shifting cost to the employees

After a review of the plan data and online medical applications from the employer, Haughn & Associates was able to implement a fully-Insured MEWA plan from The Associated Builders and Contractors plan with United Healthcare. Haughn & Associates was able to offer a 17-month rate guarantee and 3 medical plan options allowing the employer to offer both lower cost plans and lower deductible plans. By setting up employee medical plan choice, the owner would have the opportunity to establish a defined contribution approach with an established employer contribution.

Result:

In addition to avoiding a 24% renewal increase or \$28,421, Haughn & Associates was able to help drive additional savings for the company with rates that were -\$7,989 lower than in force rates and a 17-month rate guarantee. Because the company joined a large group of companies the claim risk spreads and results in lower premium and more predictable renewal increase because of the larger group of companies. While many employers continue to face double digit increases in the traditional market, the client's cost increased by +\$338.00 over 3 years and 5 months.

First year premium savings \$36,410 on \$118,420 in annual medical premium