

BETTER BENEFITS.
TOTAL TRANSPARENCY.

BENE **Rē** freshing



Top 3 Challenges

- 1. Recruitment and Retention**
healthcare industry talent shortage, expanding applicant pools, addressing high turnover, integration following acquisitions, and dealing with labor market challenges
- 2. Employee Well-being and Engagement**
address workplace violence, adapt to shifting employee value propositions, foster a supportive culture, ensure the well-being of employees in high-stress environments like healthcare
- 3. Compensation and Financial Pressures**
keeping up with market trends, managing benefit costs, financial impact of talent acquisition and retention, standardizing pay and benefits across organizations



Voluntary Benefit Coverages

Accident, Critical Illness and Hospital Indemnity policies offer far greater financial protection than Dental and Vision.



Accident

- Provides lump-sum payment directly to the employee for injuries resulting from a covered accident
- Covers items such as: broken bones, concussions, stitches, ambulance, burns, and more
- Helps employees pay for out-of-pocket expenses like deductibles and copays



Critical Illness

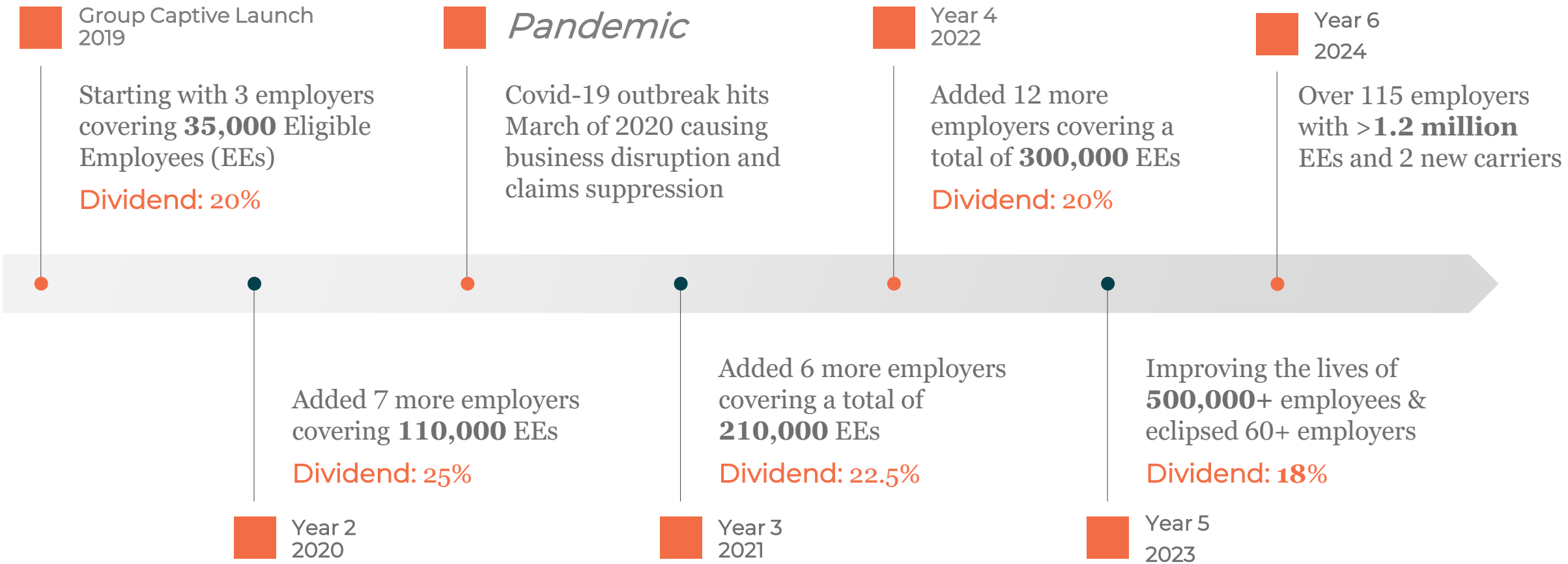
- Provides lump-sum payment directly to the employee upon diagnosis of a covered illness
- Covers items such as: heart attack, stroke, cancer, loss of sight, Alzheimer's, and more
- Helps provide employees financial security and extra money to pay for items such as: mortgage, lawn care, childcare, and more



Hospital Indemnity

- Provides lump-sum payment directly to the employee upon admittance into the hospital for a covered stay
- Covers hospital stays for labor and delivery, surgery, accidents, and more
- Helps employees meet the unforeseen costs associated with a hospital stay

The Path of Positive Disruption



Something needs to change.

The Challenge:

Rising costs are causing financial hardships and increased stress among employees, contributing to lower productivity, absenteeism, and attrition in the workplace.

The numbers are eye-opening:

7%

increase in healthcare costs to health plans for 2024*

17%

rise in average deductible amounts over the last five years**

57%

of Americans do not have enough money to cover a \$1,000 emergency expense***

84%

of businesses report challenges with hiring new employees****

45%

45% of businesses report difficulty in retaining existing employees****

66%

of Americans are under financial stress *****

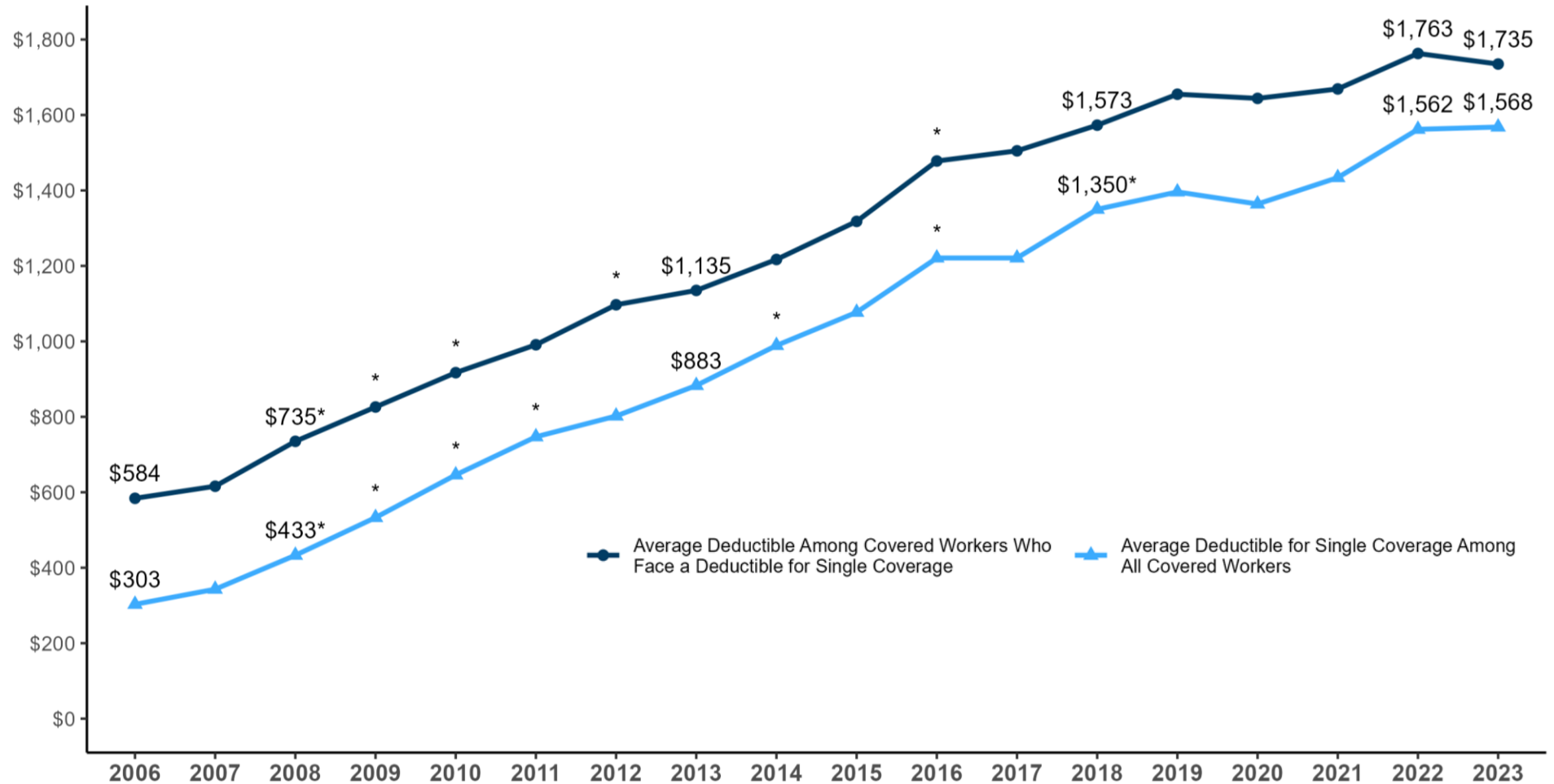
Avg. Medical Deductibles for Single Coverage

\$1,568

is the average deductible for single coverage among all employers*

\$4,346

is the average out-of-pocket maximum for single coverage among all employers*



* Source: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer Sponsored Health benefits, 2006-2017

Something needs to change.

The Challenge:

Frustration with lack of transparency regarding claims and expenses has made some employers reluctant to offer supplemental benefits to their employees.

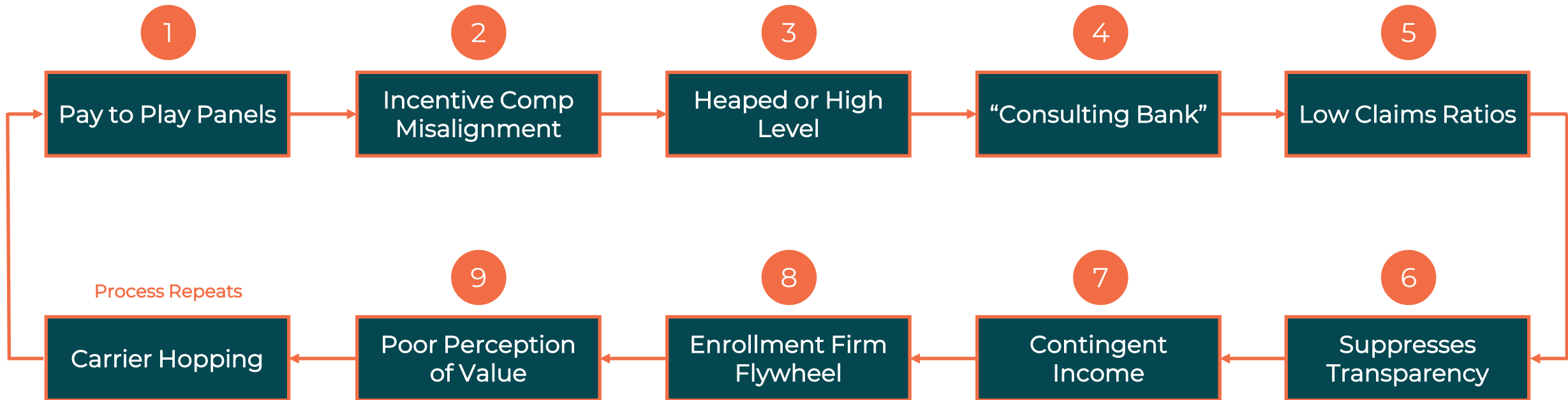
The numbers are eye-opening:

Coverage	% of employers that offer coverage	% of employers that contribute to coverage
Dental	95%	74%
Vision	90%	31%
Critical Illness	65%	2%
Hospital Indemnity	49%	2%

Voluntary Benefits are “Comp-licated”

For employers who are laser-focused on fiduciary stewardship of their employees’ premium dollars, it can be difficult to follow the money.

Here’s a primer:



Supporting Carrier Data

Accident Insurance

All Other Nationwide Commissions	
Heaped Commissions	
First Year	65% of Annual Premium
Years 2-10	5% of Annual Premium
Years 11+	2.5% of Annual Premium
Level Commissions	20%

Critical Illness Insurance

All Other Nationwide Commissions	
Heaped Commissions	
First Year	70% of Annual Premium
Years 2-10	10% of Annual Premium
Years 11+	2.5% of Annual Premium
Level Commissions	20%

Hospital Indemnity Insurance

All Other Nationwide Commissions	
Heaped Commissions	
First Year	50% of Annual Premium
Years 2-10	5% of Annual Premium
Years 11+	2.5% of Annual Premium
Level Commissions	15%

Public 5500 Reporting Examples

Voluntary (All) Critical Illness/Cancer Other

\$5.8M Premium
\$2.8M Revenue

\$2.6M Commission
45.08% (41.86%) ↗

\$221.1k Fees
3.81%

Renewal: 01/01/2024 ^

Carrier
UNUM INSURANCE COMPANY
UNUM

Premium
\$5.8M

Revenue
\$2.8M
48.89%

Participants
8,786

Commission
\$2.6M
45.08% (41.86%) ↗

Premium/Participant/Month
\$55

Fees
\$221.1k
3.81%

Showing 2 of 4 Brokers Show all 4 Brokers

Brokers

Revenue
\$1.7M
30.04%

Commission
\$1.7M
30.04%

Fees
\$0
0.00%

Revenue
\$581.6K
10.03%

Commission
\$581.6K
10.03%






Fees
\$0
0.00%

Details





Contract #
Line of Business

916914
ACCIDENT,CRITICAL ILLNESS,HOSPITAL

Public 5500 Reporting Examples

 Voluntary (All)	 Critical Illness/Cancer	 Other	\$1.1M Premium \$770.6k Revenue	\$753.3k Commission 70.00% (19.28%) ↗	\$17.3k Fees 1.61%	Renewal: 01/01/2024 ^
 Carrier THE LINCOLN NATIONAL LIFE INSURANCE COMPANY LINCOLN FINANCIAL GROUP			Premium \$1.1M	Participants 3,054	Premium/Participant/Month \$29	
 Details Contract # Line of Business			Revenue \$770.6k 71.61%	Commission \$753.3k 70.00% (19.28%) ↗	Fees \$17.3k 1.61%	
		CI-0000326051 CRITICAL ILLNESS				

Public 5500 Reporting Examples

		\$519.4k Premium \$302.8k Revenue	\$302.8k Commission 58.30% (22.95%) ↗	\$0 Fees 0.00%	Renewal: 01/01/2024 ^
 Carrier CONTINENTAL AMERICAN INSURANCE COMPANY AFLAC		<i>Premium</i> \$519.4K	<i>Participants</i> 3,776	<i>Premium/Participant/Month</i> \$11	
		<i>Revenue</i> \$302.8k 58.30%	<i>Commission</i> \$302.8k 58.30% (22.95%) ↗	<i>Fees</i> \$0 0.00%	
 Brokers		 <i>Revenue</i> \$301.6K 58.06%	<i>Commission</i> \$301.6K 58.06%	<i>Fees</i> \$0 0.00%	
		 \$1.3K 0.25%	\$1.3K 0.25%	\$0 0.00%	
Details					
Contract #	21955				
Line of Business	ACCIDENT, CRITICAL ILLNESS				

BeneRe Advantages



Lower Employee
Premiums



Enhanced Plan
Designs

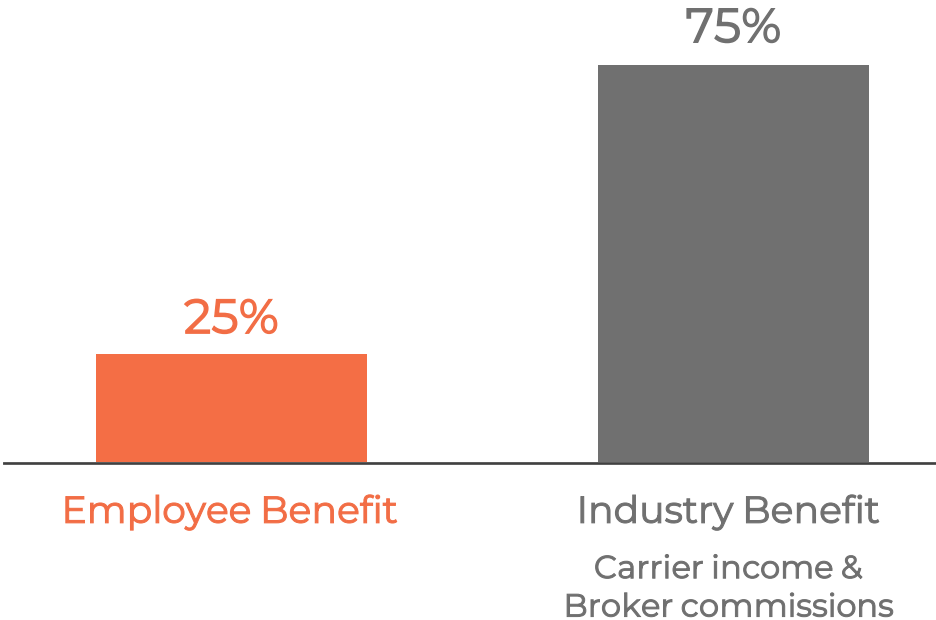


Transparency and
Distributions

Traditional Model vs. BeneRe Model

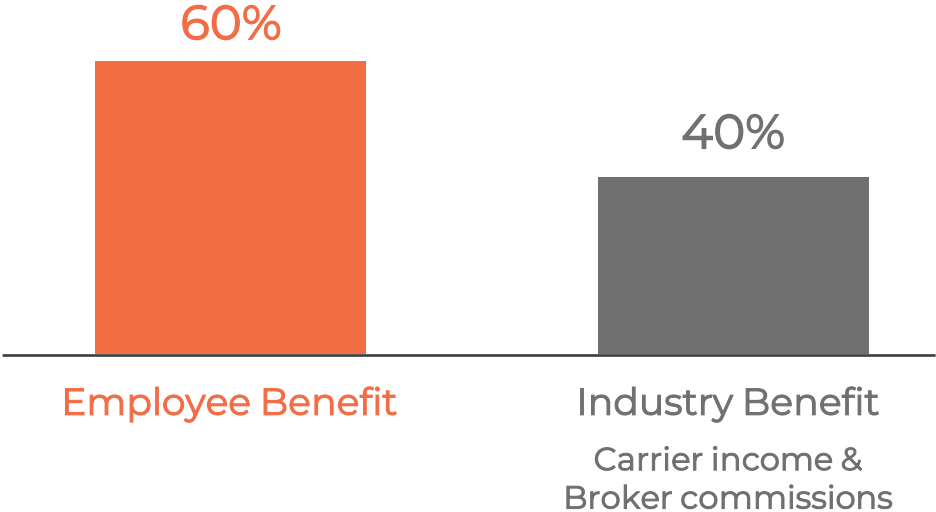
Traditional Model

Low claims ratios, high expenses
Little to no financial transparency



BeneRe Model

Higher claims ratios, lower expenses
Complete financial transparency



Group Captive Model – How it Works

Traditional ▲

1. Employee Enrolls in Program

Supplemental insurance enrollment is fast and easy. Employees pay fully insured premiums with no extra cost to the employer.

2. Insurance Company Administrates the Program

An “A-rated” insurance carrier administers all aspects of the program and holds the funds to pay all claims throughout the policy year.

BeneRe ▼

3. BeneRe Reinsures 100% of the Risks

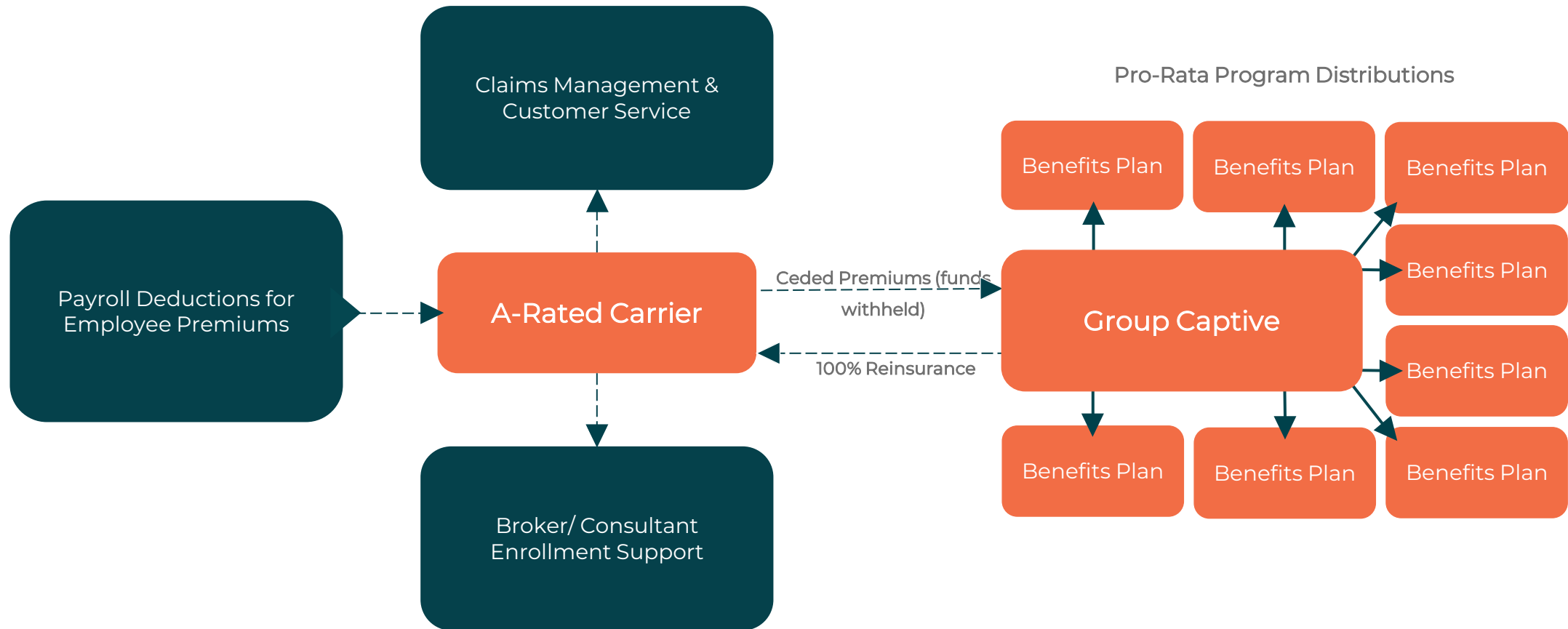
Through a captive model, BeneRe reinsures 100% of employer-sponsored programs while still allowing premiums to be held by the insurance company.

4. Year-end Dividends for Employee Health Programs

At the end of the year, unused premium funds are paid back to the employee in the form of a dividend that must be invested in employee health programs.



Group Captive Model



* The fronting carrier is obligated for every employee claim

Captive Model

Employees received an average of 10% cost savings with greatly enhanced protection for Accident, Critical Illness, and Hospital Indemnity through an A+ rated carrier.

Total Financial Impact:

\$840K

* Assumed participation = 25%

Estimated In Force Premium*	\$	3,000,000
Projected Premium	\$	2,700,000
<i>EE Premium Savings</i>	\$	<i>(300,000)</i>
Estimated In Force Dividend	\$	–
Projected Dividend	\$	540,000
<i>Net Dividend Increase</i>	\$	<i>540,000</i>
Projected Financial Impact	\$	840,000

Putting Distributions to Work

BENE **Rē**invest

End of year distributions. Premiums not needed for claims are distributed to benefits plans as a year-end dividend and must be used to fund additional employee programs. This serves as a valuable hiring and retention strategy.

- 1.** Enhance employee total compensation through improved plan designs and premium reduction.
- 2.** Reinvest in enrollment and engagement tools, including valuable point solutions.
- 3.** Enhance or introduce a more effective financial wellness program.



Dividends must be used to fund ERISA plans. For information regarding distribution usage, please reach out to your legal counsel.

Client Distribution Usage

We are utilizing our BeneRe funds to help offset our mental wellbeing programs through Modern Health.

VP Benefits

– Mortgage Financial Services Company

So far we are using the funds to give 100% subsidized offerings for our employee group to have access to SmartPath and Calm apps.

VP Benefits

– Leading Title Insurance Company

In summer/fall we offered free on-site biometric screenings for our employees, and any distributions will be applied towards that.

Benefits Manager

– Family-owned Holding Company

We plan to use them for a new mental health/wellness vendor.

Director of Payroll & Benefits

- Third Party Logistics Company

Case Study



MEMBER PROFILE

50,000+ total employees

Headquartered in Ohio, ProMedica focuses on delivering care throughout a person's lifetime by integrating a diverse line of services. It operates over **400 care sites including acute, ambulatory, provider, post acute and senior care services across 28 states**, operates a health insurance company and is a national leader in social determinates of health.

MAJOR PLAN UPGRADES

- Accident, Critical Illness + Hospital Indemnity
- \$1.9M Dividends
- 20% Employee Cost Savings

All distributions earned by participating employers must be reinvested in employee benefits programs which are included in the company's Summary Plan Description (SPD). This affords the human resources staff wide latitude in determining how to deploy the additional resources.

CASE STUDY

An Employer Flexes Its Fiduciary Muscles To Help Employees

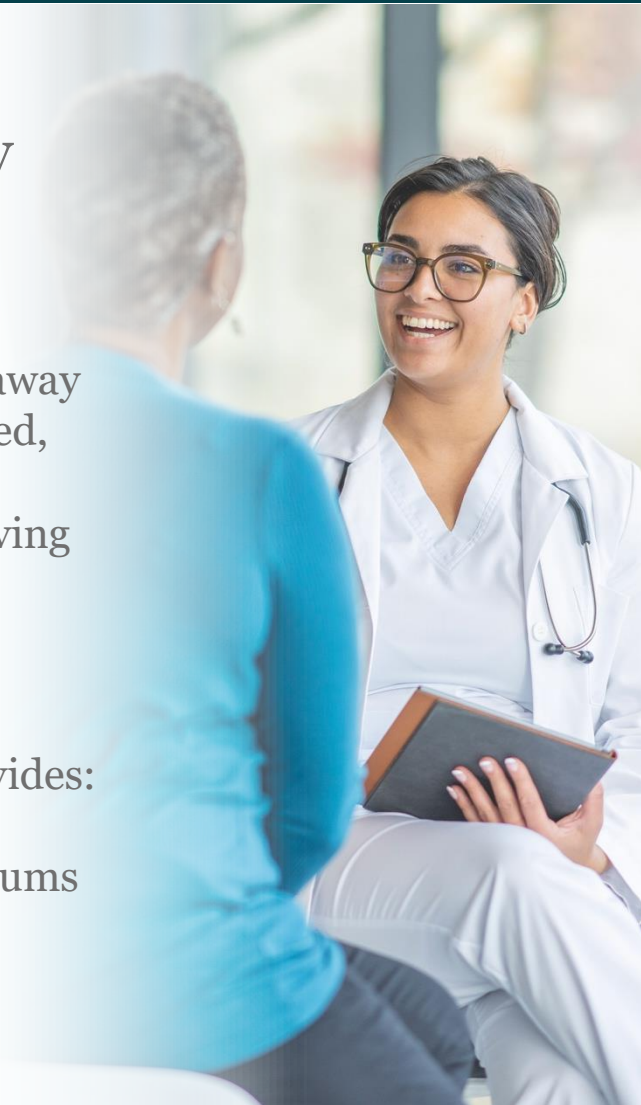
CHALLENGE:

A clinical care organization needed to transition away from on-site benefit counselors to a more advanced, scalable, and meaningful benefits administration system. The organization was also focused on driving employee engagement and retention from its significant benefits investment.

SOLUTION:

BeneRe supplemental benefits group captive provides:

- Better benefits with total transparency
- A-rated policies with reduced employee premiums
- Enhanced coverage health care workers
- Seven-figure captive distributions to further reinvest in employee benefits programs



BENE Rē

Questions?



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Schedule Meeting