
Executive Briefing

Employee Benefits Planning

3 Steps You Can Take Now to Turn Your
Employee Benefit Program into a Win-Win



Lowdermilk & Associates



Cost Control

**Employees
Expect More**

Are you stuck in a no win tug-of-war with your Employee Benefits Program?

Employee Benefit Programs impact your ability to attract and retain the talent you need to move your business forward. A recent study by Glass Door found that employees who are more satisfied drive better financial performance for companies and Benefits are a key to employee satisfaction. Rising benefit costs and legislative restrictions create major headaches for Employers that result in a no win tug of war. The three steps discussed in this Executive Briefing provide a path that ends in a win for the the employer and a win for the employee.

Group Benefits is almost always the second largest expense after labor on the financial statements of most small businesses. And if you're like many small business owners, you may be frustrated with your ability to get control of your Employee Group Benefits. Plan design and rising costs due to legislated constraints add to rising employee expectations.

In spite of the chaotic environment, there are actions you can take to stabilize your employee benefits. If you take these 3 steps now, your company will be ready to successfully navigate the twists and turns of today and tomorrow.

Step 1. Understand the Cost Drivers of Your Employee Benefit Environment

This is the first step in our proprietary CARES Employee Benefits Design Methodology. We work with our clients to assess the following areas:

- Understand Your Company Culture and Associated Impact on Benefits
- Identify and/or Evaluate the Assumed Risk of Your Employees Health Claims
- Evaluate the Plans You Offer and Terms of Your Current Carrier Contract(s)

Step 2. Change Your Contract Terms to Work for You and Not the Carrier

The information gathered in Step One, informs the strategic approach to changing your contract. Employers we serve and talk with tell us they feel handcuffed because of their carrier contracts.

It's easy to get into a contract, but how do you get out of one? When you dig a little deeper, you discover that most carrier contracts favor them and not the client aka...you.

Ask These 2 Questions to Find Out Who Your Contract is Working For

1. When you have a claim surplus reserve at the end of the year, what percent of that do you keep?
2. Do you have to renew with the Carrier to get your surplus reserve paid out?

The answers to these question provide a snapshot of the opportunity you have to get control of escalating costs and to turn your benefits program from an expense to an asset.

How you might wonder.

It starts with rewriting the terms of your carrier contracts. Because many Brokers have only worked in the fully insured space, very few know and understand the details of how to set up contracts allowing you to shift from pre-packaged to your own custom design.

Step 3. Align Your Group Benefits Program with Your Business Goals, Employee Needs, and Culture

We believe you should make your benefit program better, an asset that makes your employees happy and improves your bottom line. With the terms of the Carrier contract adjusted to work for YOU, your company is now positioned to do just that.

Many small business owners think their only option is to shop plans and compare rates. But today in addition to Traditional Employee Benefit Plans, Level-Funding and Partially Self-Funded Employee Benefit Plans are viable options for small business from 5 to 100 employees.

Adjusting your carrier contracts to work in your favor is the first step to position your business to assess the viability of these options. Next, you need to review your company goals and culture to understand how creating custom fit Group benefits would help to be an effective lever to move your business forward.

One key to determine the viability of Level Funding or Partial Self-Funding is to understand your underlying cost structure and claims exposure of your current population. We work with our clients to assess that information, and then help them construct a three year roadmap.

You have to crawl before you can walk, so our plans help clients move from where they are today to a situation that aligns with and supports their business strategy.

The Impact of Shifting from Cookie Cutter to Custom Fit Group Benefit Plans

We have been working with our clients for more than 20 years to build custom fit group benefit programs. We consistently hear the following results from our clients.

Connect More Deeply to Your Company Culture

For some companies this means offering benefits that appeal to wellness instead of sickness. In addition to traditional medical insurance, our clients have been able to build plans that include services like Chiropractic, Acupuncture, Health Coaching, Work Life Balance, Emotional Intelligence, and Financial Wellness; to name a few.

The point being that depending on what your company does, you can now build employee benefit plans that fit your culture like a glove.

Attract and Retain Talent

Colorado's red hot labor market has made the recruiting and retention of employees critical for many companies. Customization can be applied to your program design to offer more plans with different deductibles and employee contributions. For companies struggling to attract and retain both top talent and rank and file employees, this provides a powerful differentiator and reason to stay.

Lower Costs in Spite of Skyrocketing Premium Increases

Quite often another result of this process is the lowering of your employee benefit costs. We have consistently seen that when you build plans where employees can, in essence, "underwrite themselves", that encourages active participation in improving their health and managing their benefit plan usage. The net result can produce lower claims and payout.

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Turn Your Employee Benefits Program into a Win-Win

It's easy to feel that you are backed into a corner when it comes to Employee Benefits Plan Design. We hope this Executive Briefing has provided you with some new ideas and inspiration. You can take back control of this major expense and build a Plan that works for your business and your employees.

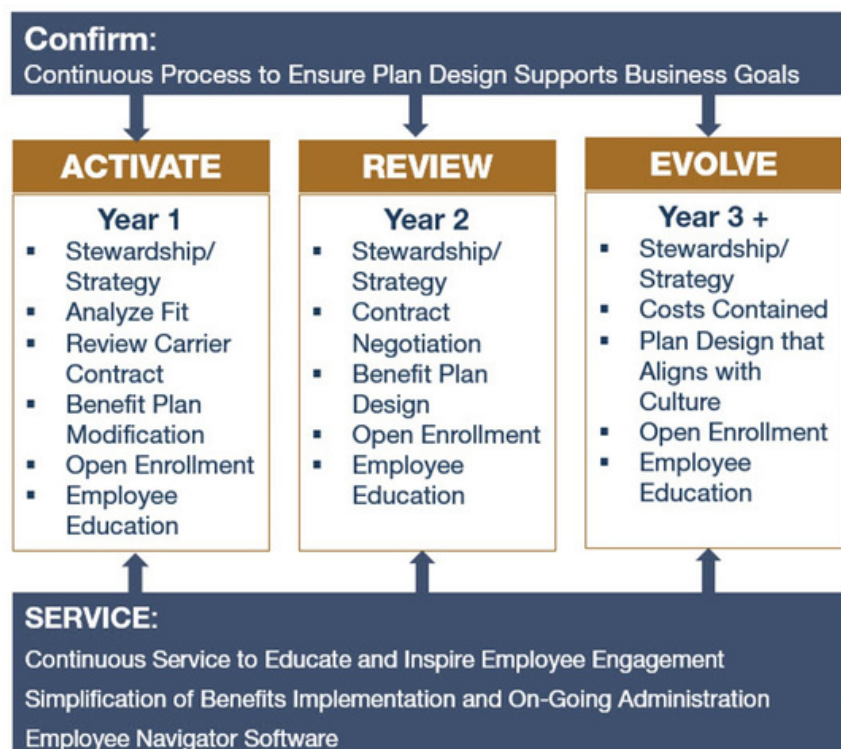
About Lowdermilk & Associates

Lowdermilk & Associates combine an in-depth understanding of your business goals with years of expertise to design Employee Benefits programs that defy status quo constraints.

Using our proprietary Lowdermilk CARES Benefit Design Methodology, our innovative approach aims to lower costs, improve benefit plans, and encourage healthy employees. We bring progressive thinking with a relentless commitment to achieving the results you need and expect from a trusted advocate and advisor.

Founded by John Lowdermilk, fifth generation Coloradan, John inspires his team to think beyond the status quo. The innovation and progressive ideas delivered by Lowdermilk form the foundation of successfully serving businesses and individuals for 25 years. Lowdermilk's proven track record shows you can reduce medical insurance costs and increase your ability to attract and retain employees.

Lowdermilk CARES Benefit Design Methodology



Group Benefits

- Health, Dental, Vision, Life Insurance
- Disability, Long Term Care
- FSA, HRA, and HSAs

Other Services

- ERISA and ACA Compliance/Strategy
- Health Insurance Cost Drivers
- Electronic Benefits Administration

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