

Helping you keep more of what you make

Self Insured Plans

The Situation:

Client:	The Company is a leading supplier of Ready Mix Concrete on the west coast. Their services help builders and developers' efficiently and cost effectively complete a wide range of projects including; large freeway systems, residential and commercial developments, driveways, patios, sidewalks and parking garages.
Needs:	Strategies to reduce cost on their \$3,500,000 + annual premium group medical plan.
Planning:	Fully Insured HMO and PPO

Analysis:

Company is a closely held business that has over 400 employees and is working hard to thrive in the turbulent 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 10%+ 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 agreement from the employer to implement the 7 steps to effectively managing a plan, RMA was able to negotiate stop loss that would allow the employer to self fund their benefits without exposing themselves to catastrophic risk. By setting up a self insured plan, the owner would have the opportunity to reclaim some or all of the dollars between the premiums funded and the actual claims paid out.

Result:

In addition to capturing carrier underwriting profit, the RMA was able to help drive additional savings for the company. With access to transparent claim data we were able to help the employer strategically implement programs to help employees better manage their health and save money for them and the company.

While many employers continue to face double digit increases in the traditional market, the company has reduced cost 14% over a five year period.

Approximate Five Year Premium Savings:	\$2,227,000
Approximate Five Year Percentage Savings:	%14