Aaron Bruski

From: Aaron Bruski
Sent: Friday, July 19, 2019 1:00 PM
To: [redacted]
Cc: [redacted]
Subject: RE: new requests

Hi [redacted]

Happy Friday! So I'll tackle the quick and easy dental question here first. MetLife doesn't have a form and [redacted] just needs to call their customer service line at 800-880-1800. And you're right, it does take effect on the first of the month following the request.

Now … the benchmarking question is much tougher and as a small group with age-banded rates any type of analysis is so slippery. That said, the Kaiser Family Foundation does a great job giving us different data that we can start to isolate and use, so at least you can have some general bearings. Survey data with anything less than 2,000 data points is almost irrelevant and that's another reason we like the KFF data – they're surveying thousands of employers and we can isolate it down to groups in the service industry, on the west coast and within your size range.

Here's what I dug up. I'll basically make a quick comment or three, show you a graph and hopefully your eyes aren't spinning afterward! The data will tell a story and I'll get you to a conclusion at the end.

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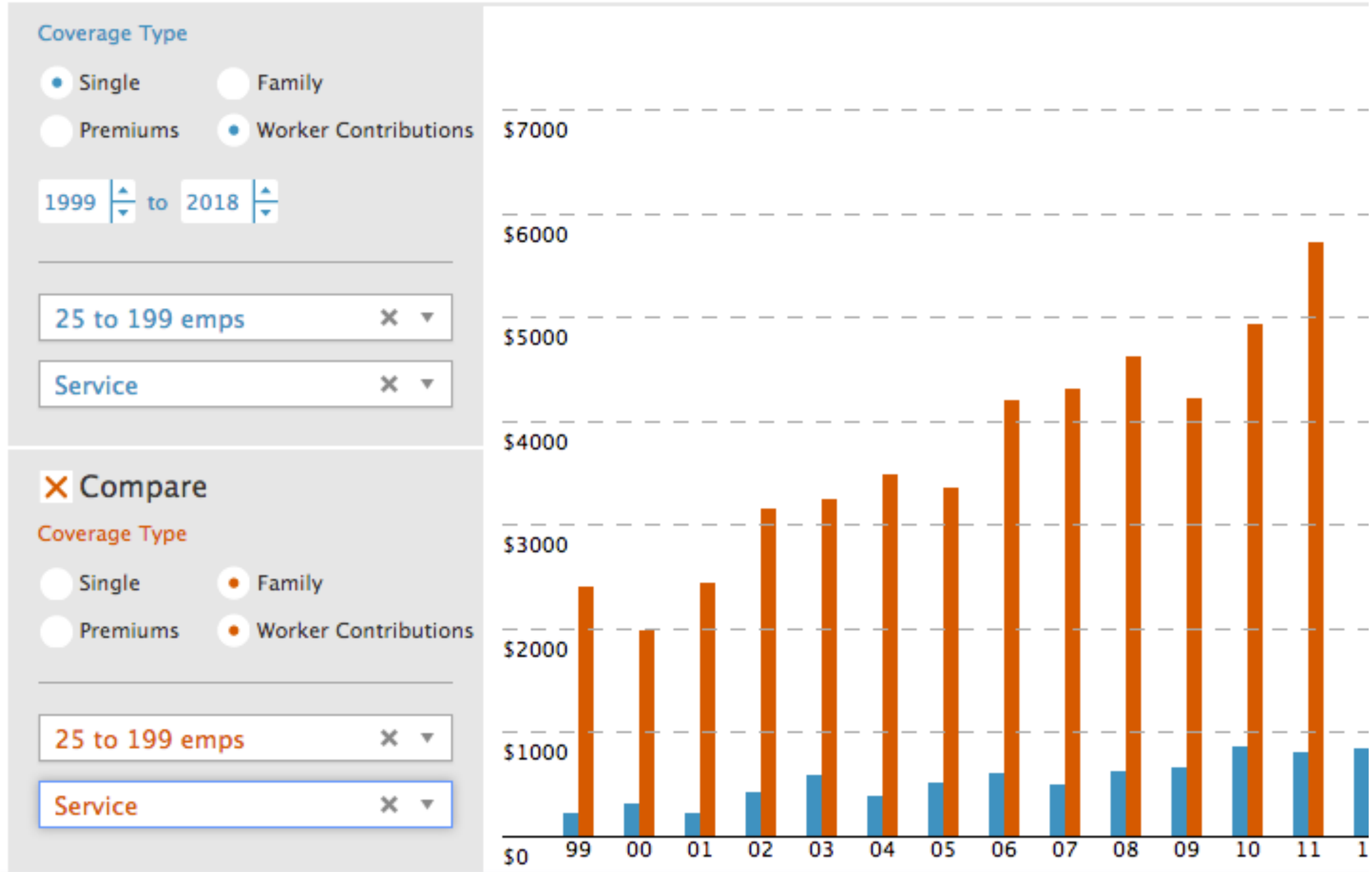
Employee-only contributions are about $1200-$1300 per year and families are contributing just under $8,000 per year. The employee-only analysis is rock solid and lines up with what we see with our own eyes. Family coverage is where there are so many variables that the data is just tough to wrap your hands around. In your small group, you could have a bunch of enrollees with many dependents (and ages) or just one, which could totally skew any attempt at analysis.

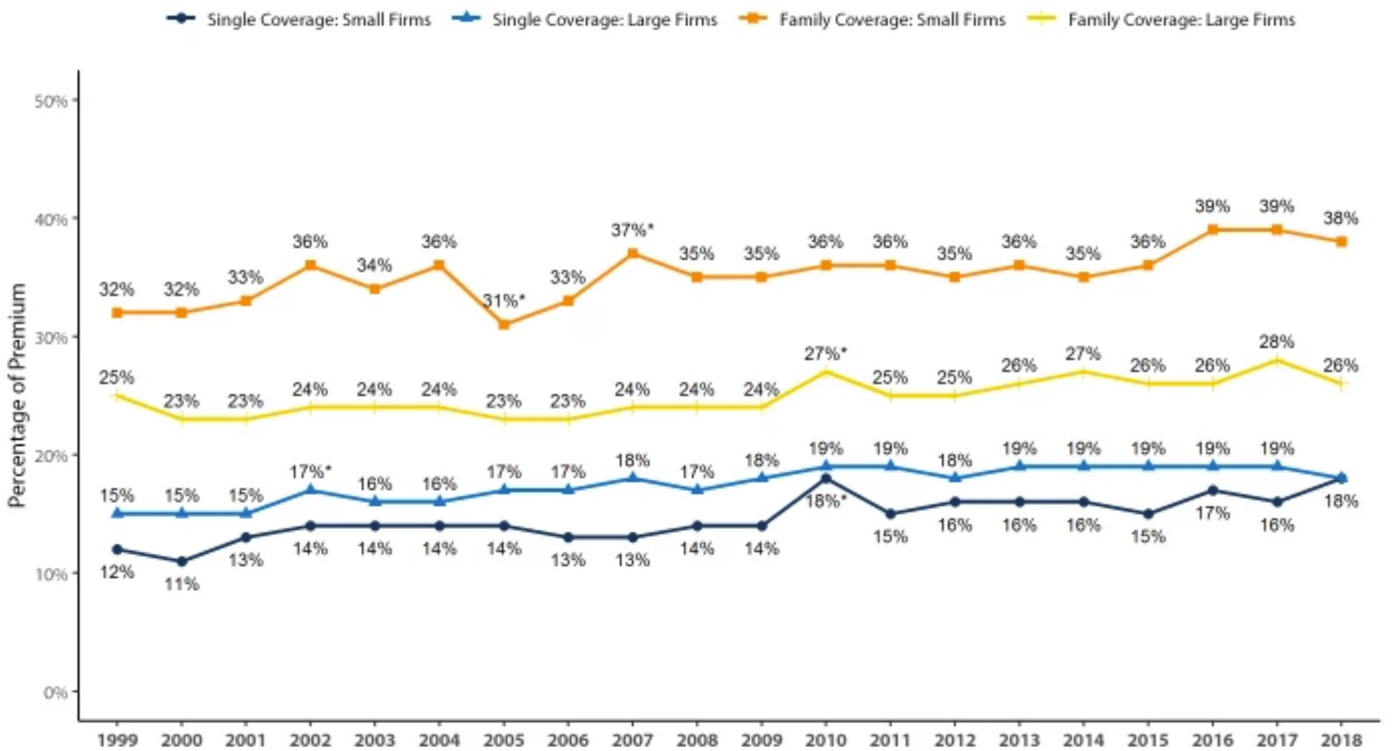


Here you'll see the discrepancy between what very large companies are able to do with benefits compared to small companies under 200 employees. It's an economies of scale thing more than anything else. They can simply afford to throw more money in the pot.

You do, in this graph, get to see that employee-only premiums are 18% of the cost and currently you guys have that set at 25%, which is a bit low but not terribly low and especially since you guys provide dependent premium contributions of 50%. The average contribution for dependent premiums is 62 percent, but that number is heavily skewed by including the employee-only contribution in the analysis itself. Again, in an age-banded setting that's going to be impossible to compare on an apples to apples basis.

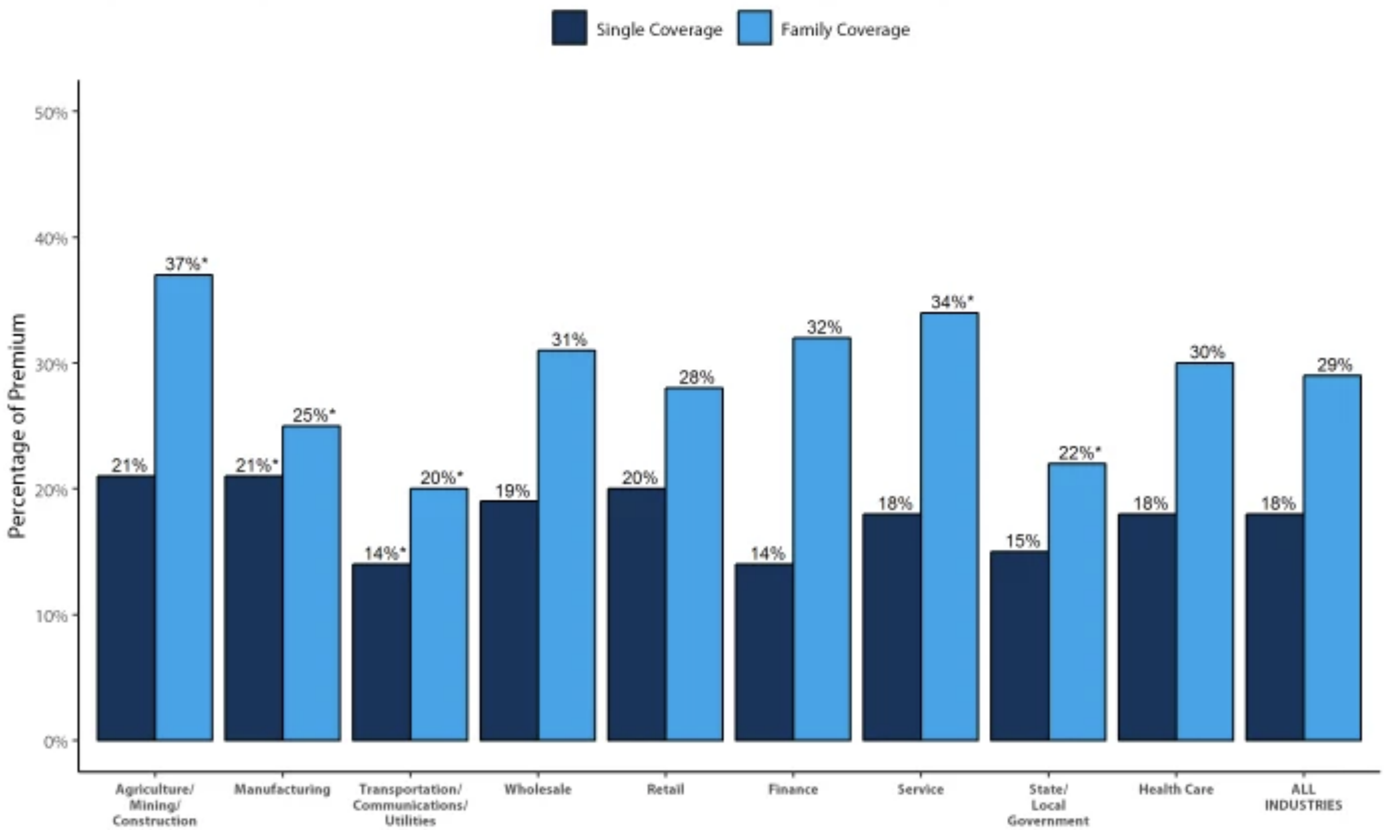
Figure 6.25

Average Percentage of Premium Paid by Covered Workers for Single and Family Coverage, by Firm Size, 1999-2018



Below you'll see where service industry companies stack up against other more highly subsidized industries like state/local and other industry types dominated by behemoth companies.

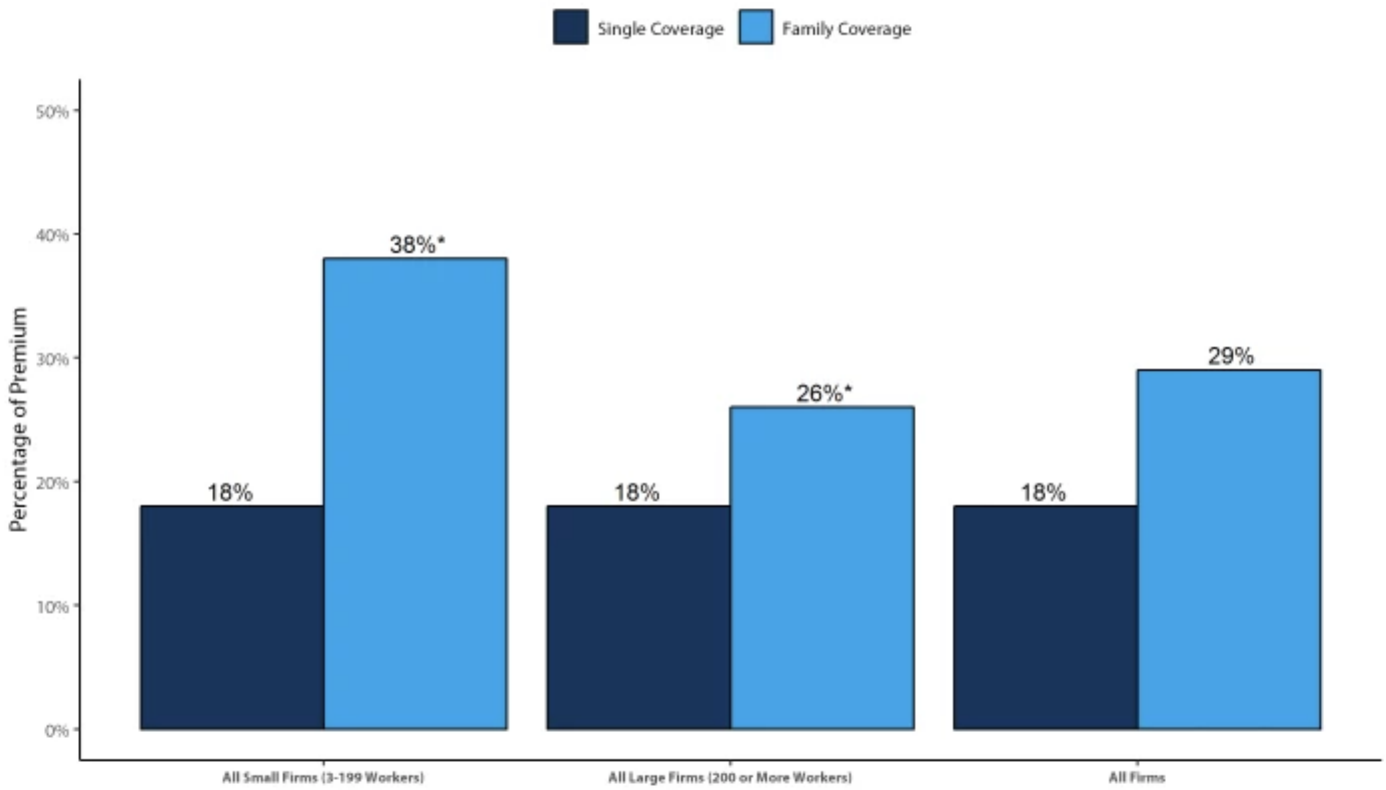
Figure 6.22
Average Percentage of Premium Paid by Covered Workers, by Industry, 2018



Here you can get another look at how bigger companies can afford to pony up a bit more.

Figure 6.2

Average Percentage of Premium Paid by Covered Workers for Single and Family Coverage, by Firm Size, 2018



My sense is that you guys are maybe the tiniest bit low on the employee-only contribution but definitely higher on the dependent contribution. I actually like your contribution strategy, too. If you can afford it you could possibly increase the employee-only contribution to 80 or 85 percent, but you might get more bang for your buck by adding or improving the ancillary benefits we discussed.

If you guys want to discuss or get further in the weeds on this don't hesitate to ask!

Best regards,

Aaron Bruski, Broker
ABIS Employee Benefits
Ph: (866) 917-1879
Fax: (866) 913-1899

What makes ABIS different? [Click here to find out!]

To: Aaron Bruski <aaron@abis-inc.com>
Subject: RE: new requests

Hi Aaron,

Me again…. ☺

I was talking to [redacted], and he is wondering how [redacted] in relation to other [redacted] companies. Basically he would like to make sure we are competitive with what we offer. Do you happen to have any literature or statistics of what similar type employers offer as far as benefits and contributions?

Thanks,
[redacted]

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