



December 21, 2016

Happy first day of winter! I know you are all in the middle of the dreaded fourth quarter, so I'll keep this update short and sweet.

Renewals – We have released all renewals through February! Our Underwriting and Renewal team are now working hard to stay on top of the new business and plan modifications that are coming in. We appreciate your patience with the team as we strive to respond as quickly as possible, but don't always meet expectations. We'll keep working hard until everything is processed and we've done everything we can to help you provide excellent service to your clients.

EDHP™ Portfolio – Our EDHP™ product line has proven to be quite the success. I couldn't be more pleased to announce that in 2016, we have returned to employers more than \$1.6 million dollars in claims fund returns. One of my favorite features of this plan, is that we return 100% of the unused claims fund that the employer had built up. Why wouldn't we? It's the employer's money!

We are beyond grateful for the opportunity to return this money back to its rightful owner. For those of you who have clients in this portfolio, thank you for trusting us to handle your plan administration. We look forward to doubling that number in 2017 and taking care of your clients.

EDHP™ RBP Plan – Our reference based pricing stop loss plans are coming in 8-15% under the standard market pricing. This is a hot deal for this market and one that you shouldn't pass up if you're looking for a way to reduce premium in a market that keeps going up. These are rich benefit plans which give members the choice of provider without fear of being out of network. The elimination of a PPO network brings the cost down for the employer by as much as \$18 per employee, per month in some cases. If you would like to learn more or see a proposal, just reach out to our Director of Sales, Tony Baffo at tbaffo@benelect.com.

Dental – We just did a full market comparison of our fully-insured PPO, Freedom Dental Plan premiums and the results were excellent. In California, our monthly premium came in \$683 dollars less on average than the top Dental carriers. That's a big difference when we're talking about dental. Here's a quick breakdown:

- Los Angeles County - \$427 less on average
- Sacramento County - \$1407 less on average
- Kern County - \$284 less on average
- Fresno County - \$839 less on average
- Orange County - \$459 less on average

New Carriers and Carrier Movement – We recently had our vision carrier from the Midwest area exit the California market. After seeing the low utilization, we decided to transition the existing vision groups into self-insured vision plans. This was an option which would further reduce the employer's monthly premium and would allow for more plan flexibility on a case by case basis. That announcement was made with our December renewing vision clients and will continue at each client's renewal date until each vision group has been transitioned from the fully-insured plan.

We also just announced a new life carrier. This carrier, 5Star Life Insurance Company, is a partner in which we are honored to partner as it is an Armed Forces Benefit Association (AFBA) related company. 5Star Life is rated A-

Excellent by A.M. Best and is committed to providing top notch customer service. Founded in 1996, today 5Star Life insures over 800,000 lives with \$41.8B insurance in force. This partnership will open up new markets for us and we are excited to see what the future holds. We are in the process of transitioning the groups who renewed December 2016 through February 2017 into 5Star Life. All remaining group life term clients will be transitioned into 5Star Life upon renewal.

Last, but not least, we are transitioning our CallMD telemedicine clients into 24/7 Call A Doc beginning with January 1 effective dates. We made the decision to do this as a result of feedback we've received that 24/7 Call A Doc provides the same affordable pricing, but offers increased service levels that can't be matched. That wasn't an offer we thought we could pass up on behalf of our mutual clients. If you haven't experienced our telemedicine product, be sure to check into it. For as low as \$3 pepm, your clients can offer telemedicine with no copay and no out of pocket to its employees and every member of the employees household. We use it here and our staff are dedicated fans of the service!

Thank you for allowing us the opportunity to serve you and your clients.