

Unlocking **\$26 Million** for Employee Benefit Reinvestment

Employer Profile:



Industry:

Transportation



Employees:

98,000



Revenue:

Fortune 100

Overview:

The employer offered critical illness, accident, and hospital indemnity plans with an annual premium of **\$21.5 million**.

Challenge:

- Lack of transparency on premium dollar allocation
- Vague reports on paid claims
- Inflated reserves showed a loss ratio of over 50%
- Undisclosed compensation payments



Employee Paid Annual Premium Dollars

Solution:

By implementing the Employees First solution, which mimics a self-funded plan structure, **\$7.4 million** was returned for reinvestment into employee benefits. These funds are termed Experience Rated Refunds (ERRs). Over three years, the ERRs are projected to reach **\$26 million**, allocated as follows:

- **Benefit Enhancements:** Reinvesting in value-added benefit enhancements
- **Increased Plan Value:** Raising the plan value through more paid claims
- **Cost Reduction:** Lowering premiums for employees

As the plan fiduciary, the employer maintains control over the allocation of plan assets, deciding how to best utilize these funds for any plan-related expenses under an ERISA wrap plan.

Result:

Employee Paid Annual Premium Dollars



Previously Unrealized Dollars known as Experience Rated Refunds



Experience Rated Refunds

are the dollars remaining after claims and plan expenses, which the plan sponsor can use to pay their broker and reinvest into the Employer's Plan.