

SELF FUNDED VS FULLY INSURED

COST COMPARISON
SELF-FUNDED PLAN VS. FULLY INSURED PLAN

LOWER COST OF ADMINISTRATIVE OPERATION

Typical administrative costs an average from 3%* on large employers (over 100) to 10%* on small employers (less than 100)

Insured carriers typically range from 8%* on large employers (over 1000) to 20%+* on small employers (less than 100)

RETENTION OF RESERVE FUNDS

Insured carriers collect premiums before any claims are paid, retaining any reserves and earning interest on those reserves

In Self-Funding, the employers retains these funds until the claims are presented for payment

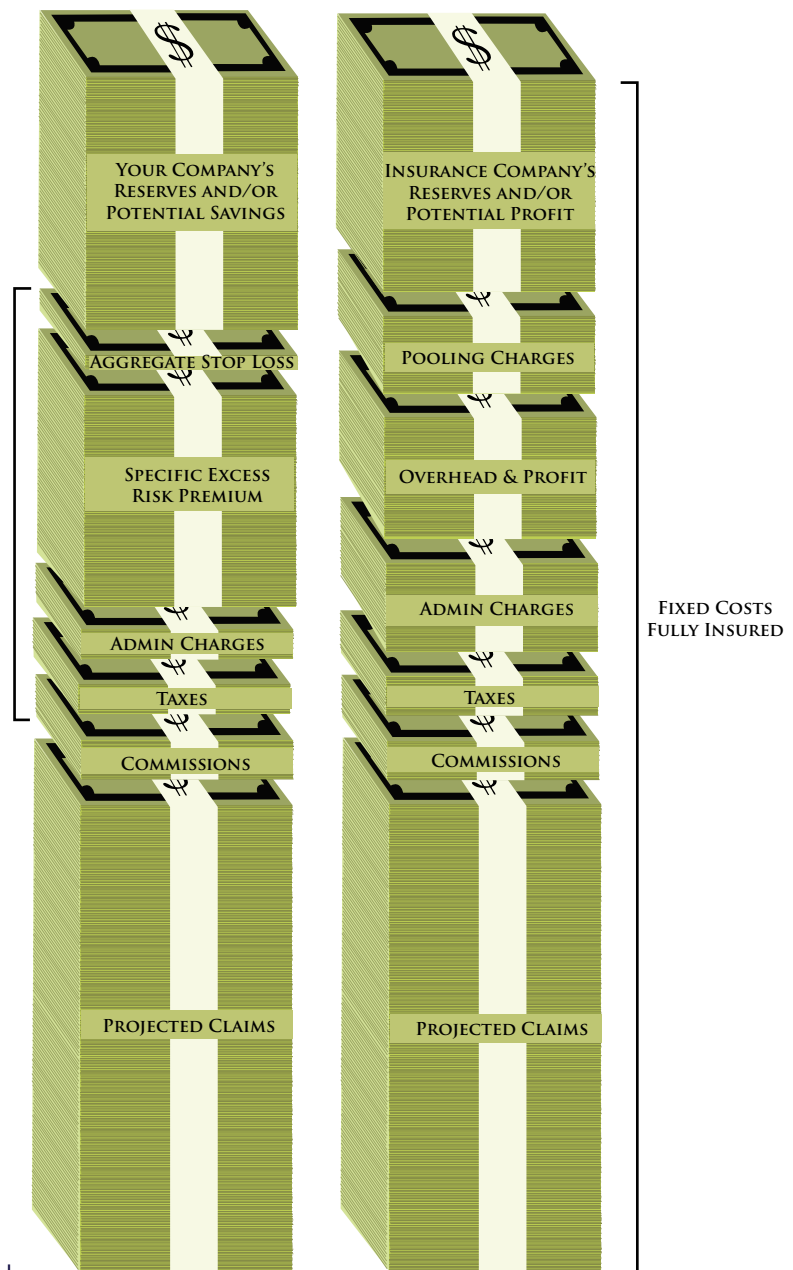
ELIMINATION OF CARRIER PROFIT MARGIN

Most carriers are looking for a profit margin of 4-7%*, while in self-funding these dollars are retained by the employer

ELIMINATION OF THE PREMIUM TAX

Insurance companies pay a premium tax on premiums collected (approximately 2.5%*)

Self Funded employers health benefits are not subject to this premium tax



* All percentages are based on total annual plan cost