



The Truth About ASO Plans!

Robert J. Crowder, CLU, GBA

The Benefits Trust



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Goals/Objectives for Today

YOU WILL HAVE A BETTER UNDERSTANDING OF:

How society is changing

How the insurance environment is changing

What funding options are available

Why your clients may wish to go ASO

How ASO funding works

What to look for in an ASO Plan/Provider

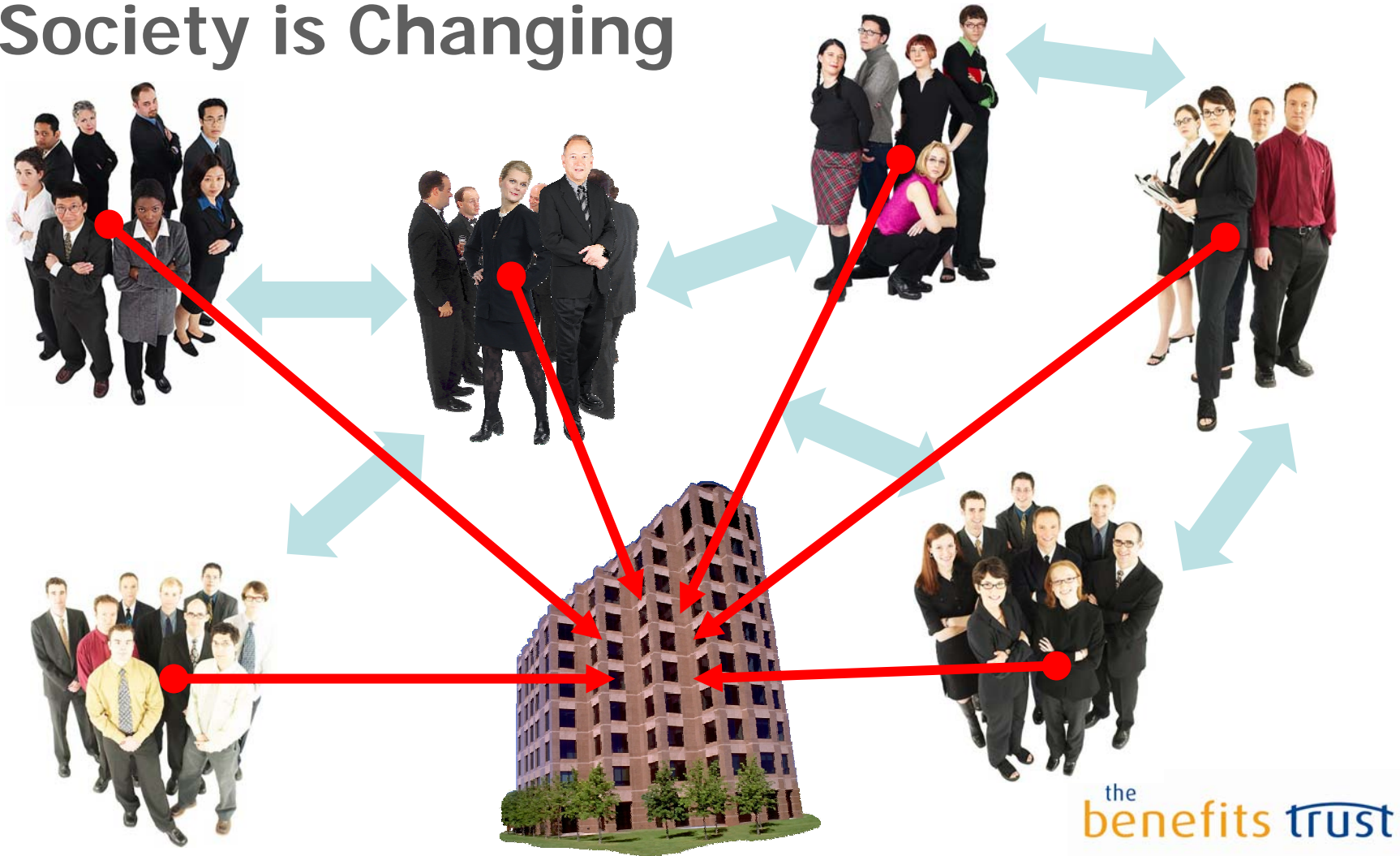


Goals/Objectives for Today

YOU WILL HAVE A BETTER UNDERSTANDING OF:

**...why now is the
Best Time to Sell
Employee Benefits**

Society is Changing





Clients are in Control

Clients are busier

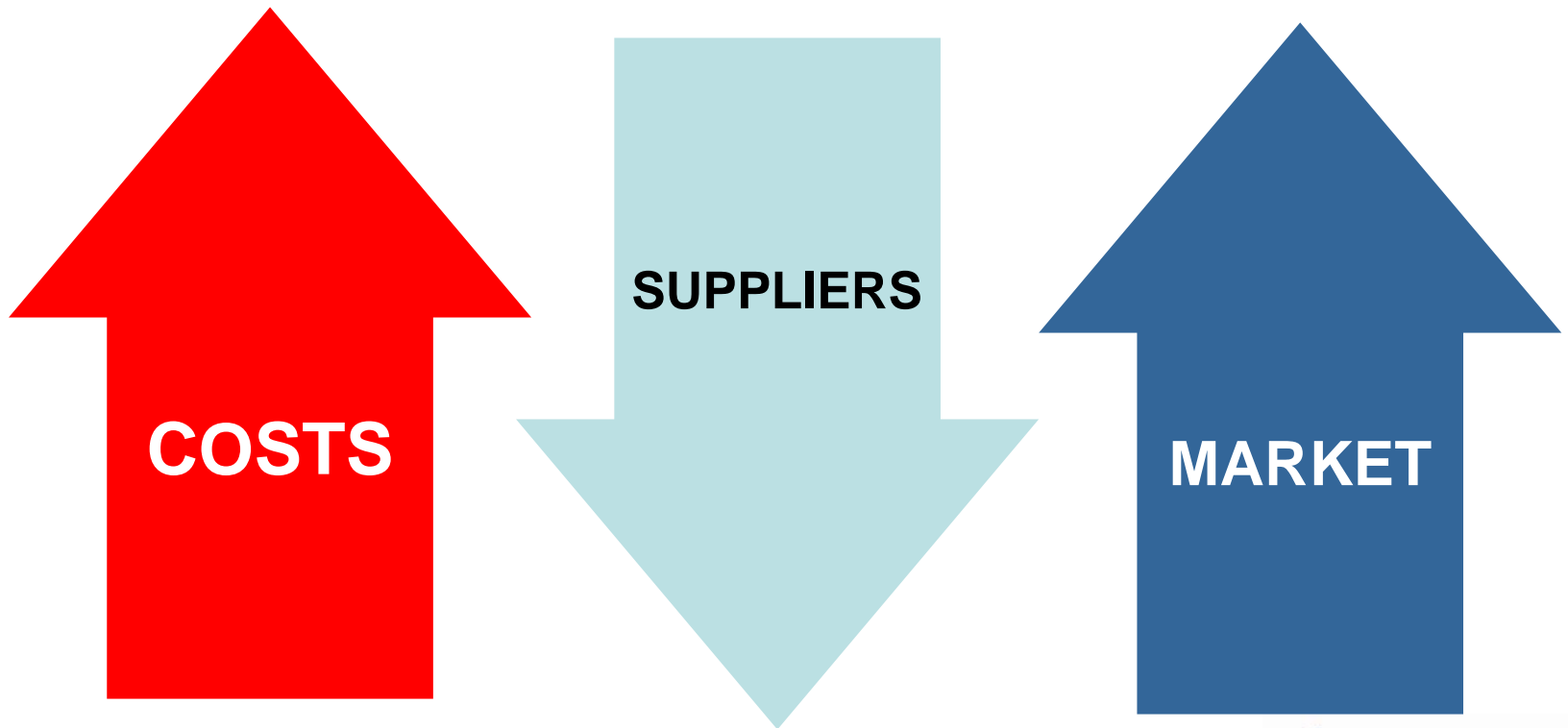
**No longer prepared to go along
for the ride**

Clients want value today!

**Changing factors influencing the
buying decision**

- Trust
- Speed
- Convenience
- Community Responsibility
- Advice
- Price

Present Employee Benefits Environment



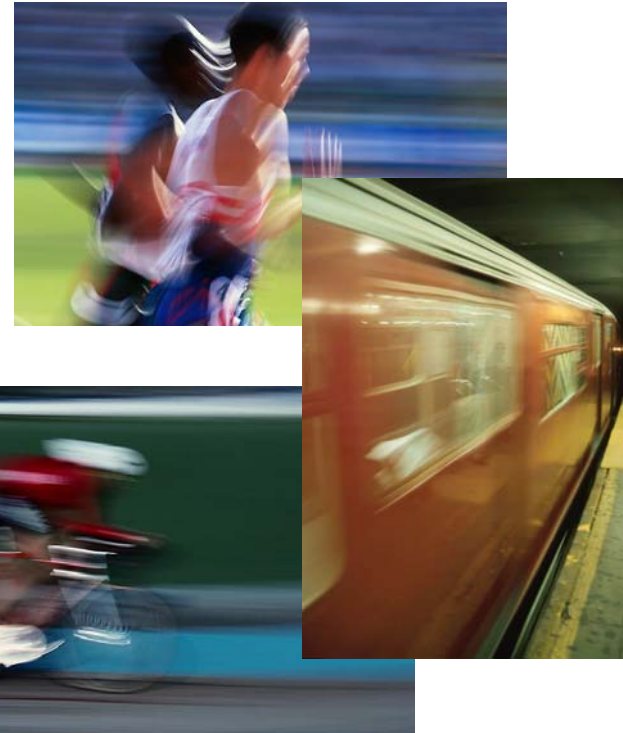
Change, Change, Change

Change is good for sales people

The market is huge

Clients want and need you

***...Yes, we are talking about
employee benefits***





It's time to look at
plan funding

*...The Truth
About ASO Plans*

Traditional Funding vs. A.S.O. Funding

Client Promise

Risk Charges

+

Anticipated claims

+

Plan operation expenses

=

Client Premiums

Client Promise

Risk Charges

+

Actual claims

+

Plan operation expenses

=

Client Costs

GAP



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Why are clients looking?

Your clients **gain control** and **lower costs.**



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**Of all the scientists who
have lived and worked in
the last 2,000 years...**



Of all the scientists who
have lived and worked in
the last 2,000 years...

***85% are alive and
working TODAY***

A Gallery of New Prescription Drugs



and the list goes on and on ...

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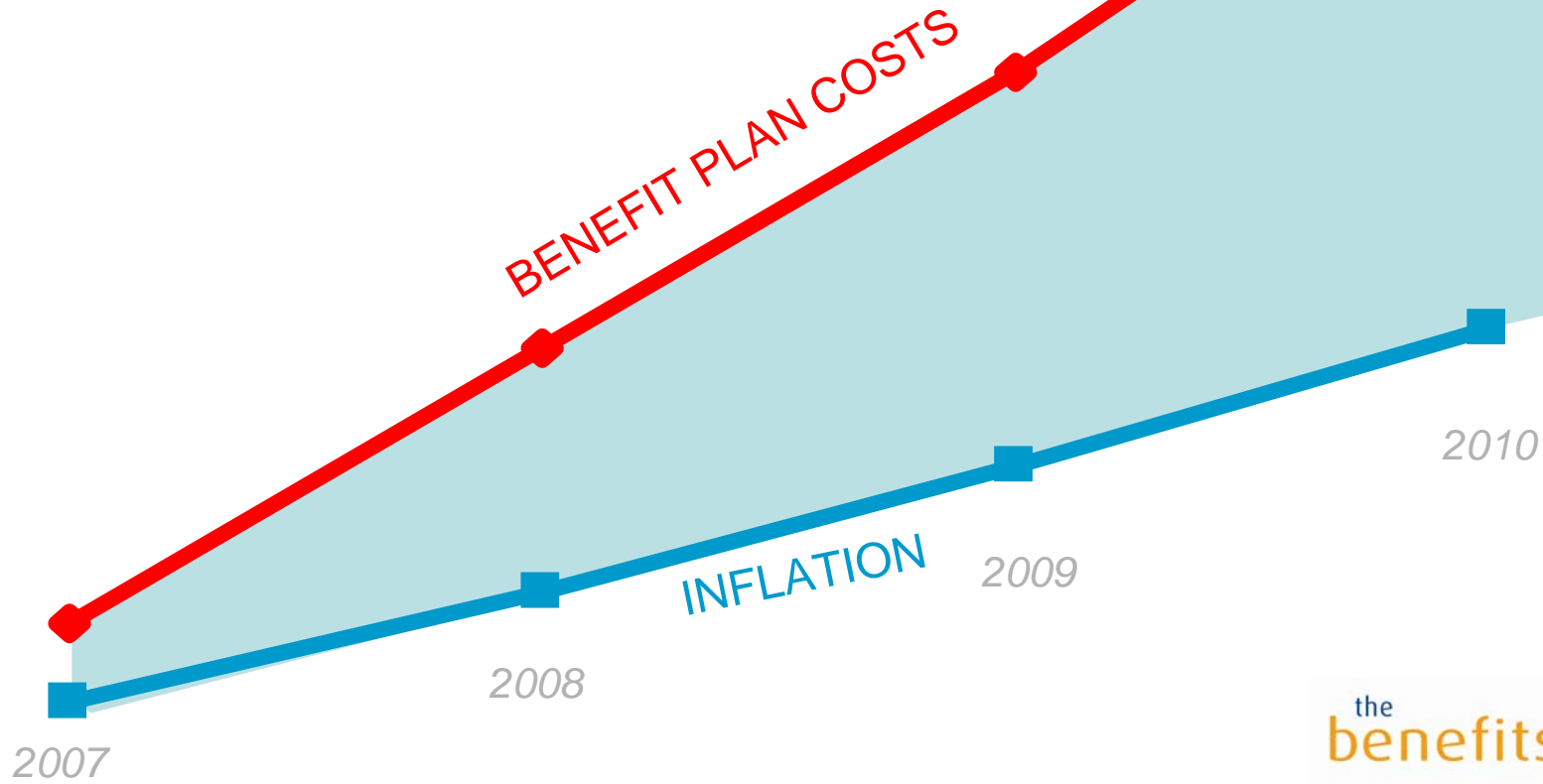
Are governments setting the stage
to pass more costs on to your
clients?



YES!



Trends for 2008 in Employee Benefits



It's time...A Different Concept

High Cost
Low Freq

Life Insurance

AD&D and C.I.

INSURANCE

requires
insurance

LTD, Out of Country

*Extended Health Care
(Claims over \$5,000)*

Low Inflation

CLIENT RISK LINE

High Inflation

Low Cost
High Freq

Dental Care

BILL PAYMENTS

requires
administration
services

*STD, salary
continuation plans*

*Extended Health Care
(Claims under \$5,000)*

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INSURANCE

This portion of the benefits plan should be designed according to YOUR clients' needs, instead of just a standard insurance package.

BILL PAYMENTS



INSURANCE

Low Inflation

CLIENT RISK LINE

BILL PAYMENTS

High Inflation

Examples of Plan Designs

- Conventional plans with traditional plan elements
- Core Plans with Health Care Spending Accounts
- Phased-in benefits according to seniority

Whatever your client wants

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**High Wage Executives
should receive 100%
benefits**

**\$1,000 in non-eligible claim
costs require \$2,000 in after
tax money**

No double administration



INSURANCE *for Risk*

Administration **BILL PAYMENTS**
Services for

...all within a Trust

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The Benefits Trust System™



Monthly
Contribution



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Monthly Account Balances (\$)
YTD Account Balances (\$)

\$

Insurance Premiums

Life, AD&D, LTD, Stop Loss...

\$

Claim Transactions

Health, Dental, STD...

\$

Plan Operation Costs

*Administration, Producer
Compensation, Taxes...*

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Who Might be a Candidate for ASO?

**Multiple
insurance
carriers**

**Client wants
unique plan
design**

**More than
15 full time
employees**

**Multiple
divisions or
locations**



**Good experience/
Bad experience**



What to Look for in an ASO Plan

Stop Loss

Budgeted Funding Approach

Conservative Budgeting





What to Look for in an ASO Provider

Monthly Billing & Reporting

Trust Arrangements & Auditors

Plan Communication Material

Professional Administrators/Adjudicators

Medical/Dental Professionals

Personalized Service & Flexibility

Active & Strong Insurance Partnerships





Communicate

Communicate

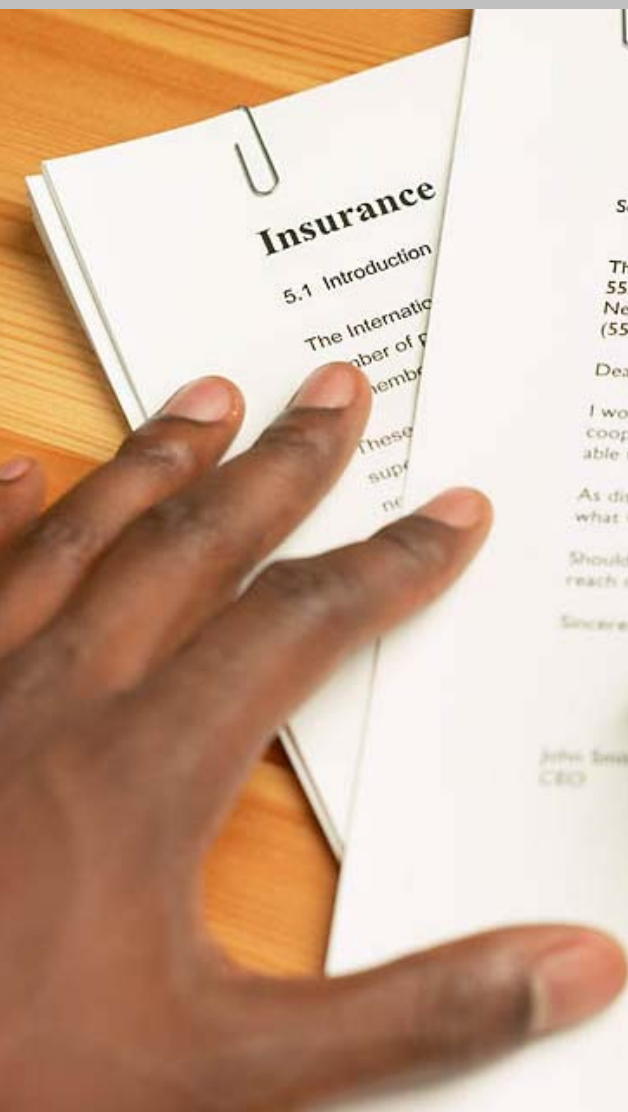
Communicate

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Administration

**You need
professional administrators
who will work together with you,
clients' staff and employees to
reduce their time spent on
administering the benefits plan**



**You need
rapid claims
turnaround!**

Budgeting for Employee Benefits by Profit Centre

Profit Centre A

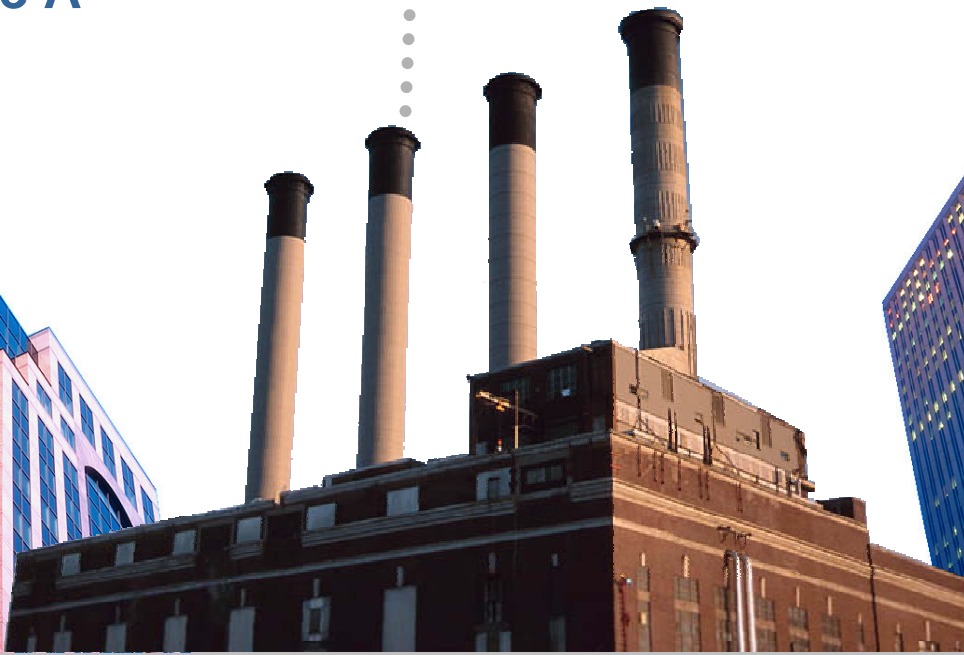
-20%

Profit Centre B

-15%

Profit Centre C

+40%





We Can Do This For You...
Contact Us!

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Thank you for your time and attention



Monthly
Contribution



\$

Insurance Premiums

Life, AD&D, LTD, Stop Loss...

\$

Claim Transactions

Health, Dental, STD...

\$

Plan Operation Costs

*Administration, Producer
Compensation, Taxes...*

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Monthly Account Balances (\$)

YTD Account Balances (\$)

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