



# The Truth About ASO Plans!



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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

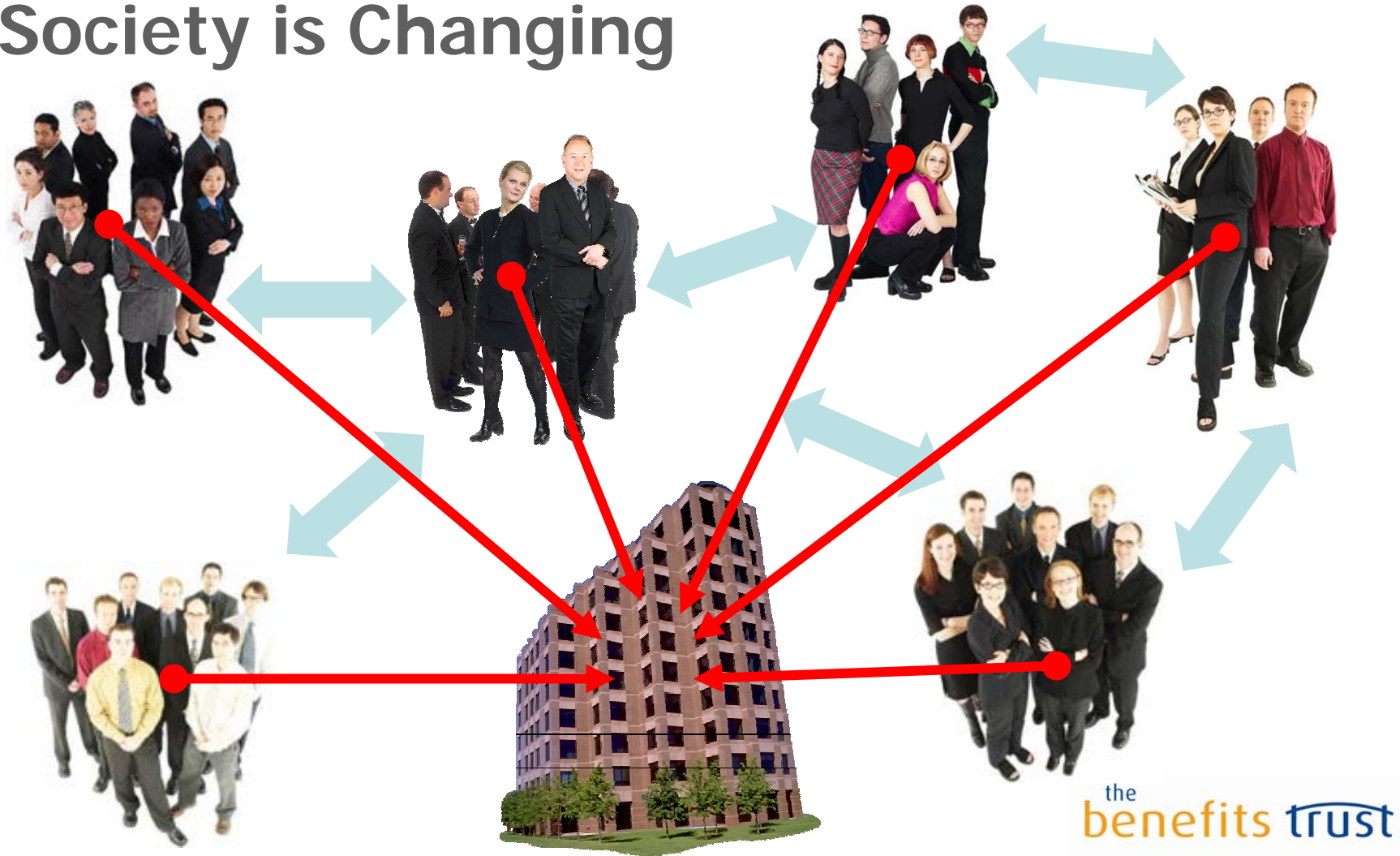


## Goals/Objectives for Today

**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**

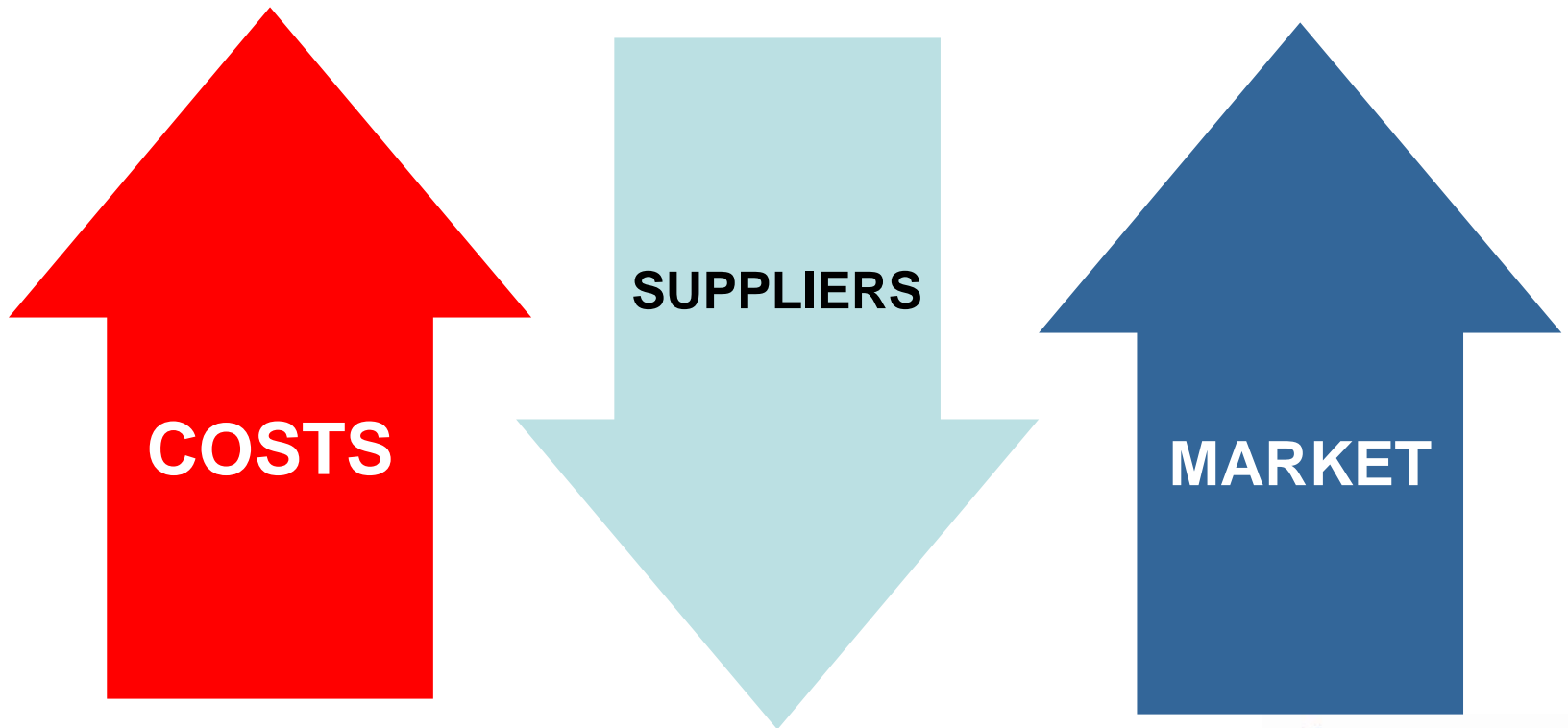
**No longer prepared to go along  
for the ride**

**Clients want value today!**

**Changing factors influencing the  
buying decision**

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

# Present Employee Benefits Environment



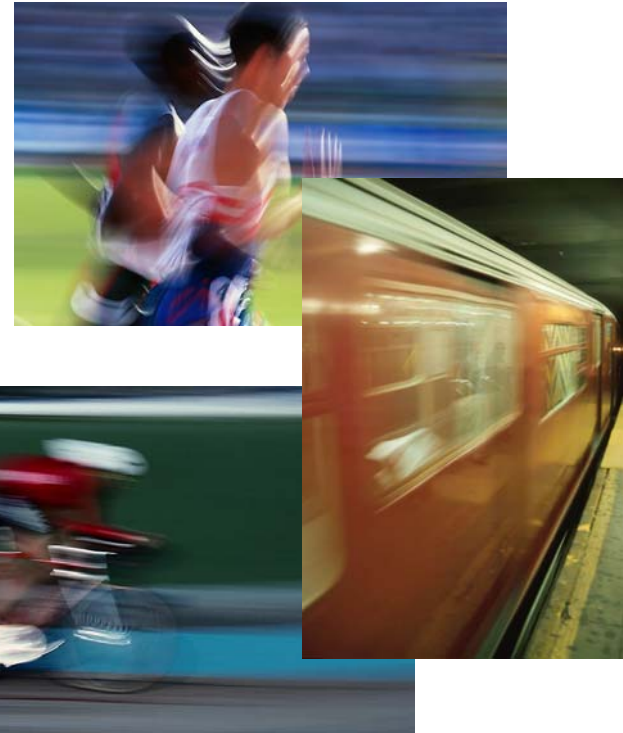
**Change, Change, Change**

**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 ...*

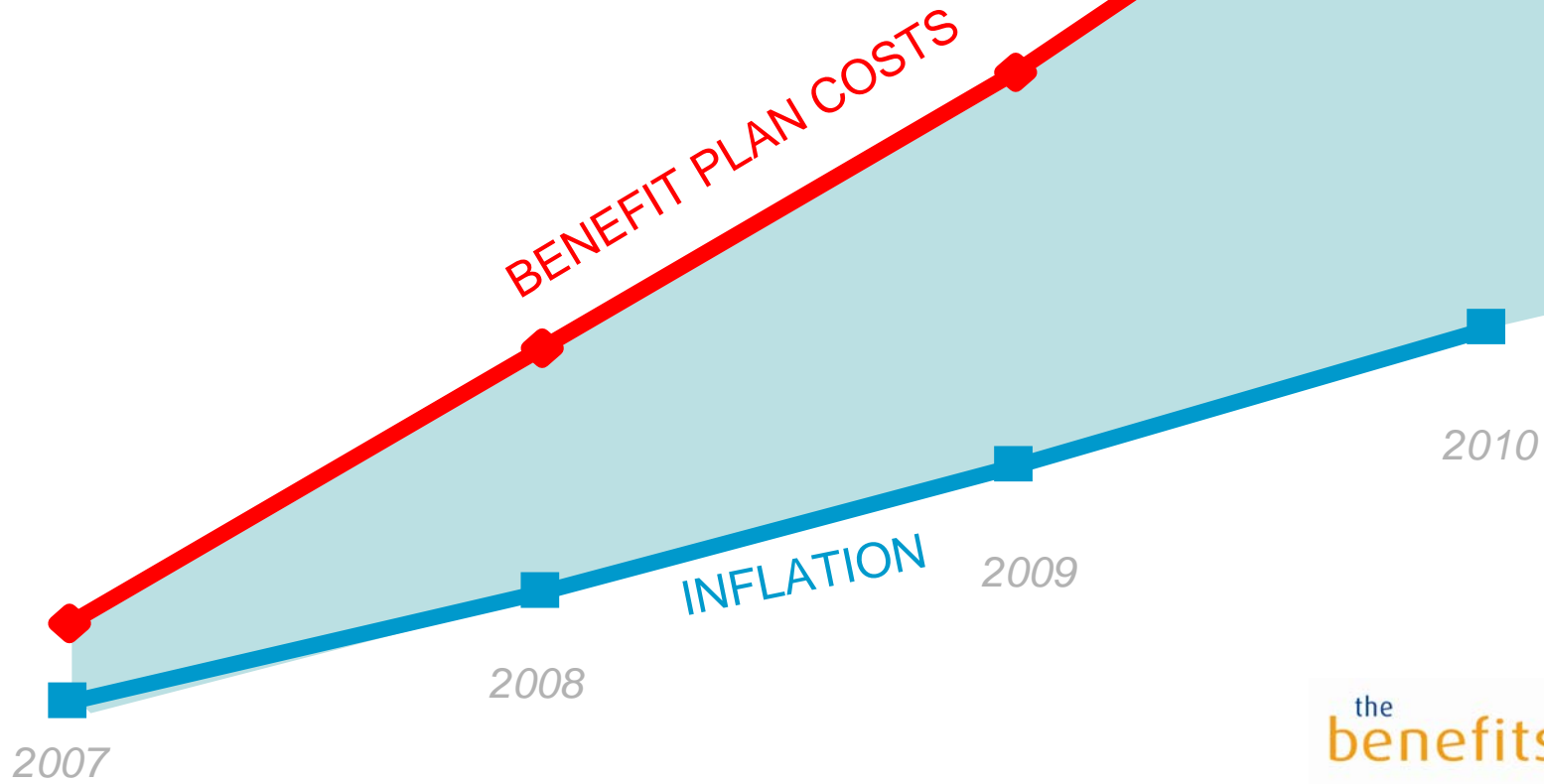
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Are governments setting the stage  
to pass more costs on to your  
clients?

**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

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**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*

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*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***



# 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  
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Monthly Account Balances (\$)

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