

RESPONSE TO REQUEST FOR PROPOSAL

JULY 12, 2023

to provide Employee Benefits Brokerage & Consulting Services



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Executive Summary



Cresa Leadership Team,

Thank you for the opportunity to respond to Cresa's RFP for benefits brokerage services. We value the confidence you place in IMA as your potential employee benefits consultant and feel strongly that IMA is uniquely qualified to serve as Cresa's broker.

It has been a pleasure to learn more about Cresa and the strategic objectives that have driven the organization over the past years. At IMA, we are unwavering in our mission to "Protect Assets and Make a Difference." We believe this mission is aligned with Cresa' pursuit "to drive us toward our vision of making a massive difference, one cup at a time."

IMA provides more than just insurance. We offer our clients a unique blend of data-driven insights and world class capabilities that combine to produce solutions that go well beyond the basics.

We are committed to further understanding Cresa' business objectives to build holistic benefits and an employee-value proposition that best supports your goals. As an employee-owned company, we look beyond placing insurance and take very seriously our efforts to give back to the communities in which we live and work. Through our IMA Foundation; we focus on Diversity, Equity and Inclusion, and our sustainability which pairs with Cresa's commitment to these same efforts.

Employee Benefits has never mattered more to employees and Cresa faces a variety of unique risks. IMA focuses on providing best-in-class solutions tailored to meet your needs. Combined with our expertise in Total Rewards, Reference Based Pricing and Direct Primary Cre models, we feel we are uniquely fit to serve Cresa and your employees.

Our RFP response highlights our capabilities and solutions specific to Cresa and we believe you will find our approach to be of immense value as you look to match a benefits program with your objective goals.

We look forward to discussing our thoughts with you as you move through your decision-making process, and we are confident that we can drive significant value by combining IMA's resources, expertise, and services to help Cresa reach its benefits plan's goals.

Thank you,

Tim Schermerhorn



a. Provide a brief introduction of your company, including background, years of experience, key differentiators.

IMA HISTORY

Insurance Management Associates, Inc. (IMA) was formed in 1974 when three agencies joined together, forming the basis for the present company. In 2020, IMA changed our corporate name to IMA Financial Group, Inc. as our original name did not adequately describe our business and the breadth of the services we provided. With over four decades of experience in the industry, IMA has become a trusted leader in commercial insurance, risk management, surety, and employee benefits brokerage and consulting. Our team of knowledgeable and experienced professionals work tirelessly to develop customized solutions that meet the unique needs of each of our clients.

1973

Formation of IMA

Established from existing IMA partnership (roots dating back to the 1930s) and was incorporated in 1974 in Wichita, Kansas

World-class expertise across specialties enables IMA to compete nationally.

1980s

Midwest Geographic Expansion

Opens Topeka, Kansas and Denver, Colorado Offices

1990s

Horizontal Business Expansion

Adds Wholesale, Wealth, Money Management Capabilities

2000s

Additional Geographic Expansion

Opens Kansas City, Kansas and Dallas, Texas offices

SPRINGFIELD, OR SPRINGFIELD, OR SPRINGFIELD, OR SANTA CLARA, CA SANTA

2010s

Round Out Capabilities

Adds Select, Eydent and Highwing; specialization becomes the key differentiator

2020s

"Broker of the Future"

Expands capabilities through vertical expansion and partnerships, leveraging the infrastructure IMA already has in place

At IMA we understand that businesses face a wide range of risks and challenges, from property damage and liability claims to employee benefits and cyber threats. That's why we offer a comprehensive suite of services that can be tailored to each client's specific needs, including risk assessments, insurance placement, claims management, and employee benefits consulting. Our goal is to help our clients mitigate risk and achieve long-term success.

What sets us apart is our commitment to innovation and our ability to anticipate emerging risks and trends. We are constantly exploring new ways to help our clients protect their assets and grow their businesses. We leverage the latest technology and industry insights to provide cutting-edge solutions that deliver results.

At IMA, we believe that our success is measured by the success of our clients. We strive to build strong, long-lasting relationships with each of our clients based on trust, integrity, and a deep understanding of their unique needs. We are proud to serve businesses of all sizes and industries, and we are confident that we have the expertise and resources to help your business thrive.



Our more than 2,000 associates are located across offices in Alaska, California, Colorado, Hawaii, Kansas, Michigan, New York, North Carolina, Oregon, Pennsylvania, South Carolina, Texas, Utah, Washington, and throughout the U.S. and Canada.

IMA FAST FACTS

- + Incorporated in 1974
- + 20th largest broker in the United States
- + Employee-owned
- + More than 2,000 employees
- + National in reach, local in service
- + Premium placements of over \$8 billion annually
- + Revenues in excess of \$640 million
- + Client retention leads the industry at 96%

- + 8% Revenues invested in value-added client services – twice the industry average of 3.8%
- + Clients with physical operations, exposures and/ or employees in every state in the U.S. as well as in over 100 countries around the world

96%
CLIENT
RETENTION RATE

45 FOR OVER

WHY EMPLOYEE OWNERSHIP MATTERS?

IMA is one of the fastest growing and largest brokers/consultants in the U.S., and our ownership structure is the cornerstone of our success. Employee ownership is a crucial difference between IMA and other private or public insurance brokers. Our ownership structure has enabled us to maintain a model focused on service and value rather than simply sales.

The following results from our ownership structure are critical for Cresa to understand:

Reinvestment in Our Company

IMA has always maintained the belief that reinvesting profits into talent, services or resources will ensure stronger client relationships and help retain clients on a long-term basis. We are not constrained to deliver excessive profits on a quarterly basis to ensure viability. IMA invests more than two times the national average into value-added services and resources for its clients. This fact is due to our ownership structure and service philosophy.

Attracting & Retaining Talent

Our business is essentially the delivery of intellectual capital, and the competition for attracting and retaining talented individuals is fierce. Offering employees ownership is a key advantage in this competition and is a major selling point for employment at IMA. From your perspective, each IMA employee that works with you will have a vested interest in working with you, and we believe this translates into better service. Our culture naturally attracts talented people who are enabled to be innovators.

Perpetuation Planning

The founders of IMA had the foresight and vision to create this ownership structure as a plan for continuation that avoids a public offering or being acquired by another broker. When either of these scenarios occurs, it usually causes the sellers to reduce staff or services in order to improve profitability for the pending sale. These changes impact all clients.

IMA's ownership structure has allowed us to perpetuate internally through an organic system without making structural changes. It has enabled us to remain independent and continue to reinvest in staff and resources for our clients as opposed to potentially selling and causing major service disruption to our clients.

Ownership Culture

Ultimately, owners think differently about the services and products they deliver to clients. As an employee-owned organization, IMA associates have a personal stake in maintaining successful partnerships with our clients. This fosters a positive culture that our clients feel through superior service.



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COMPANY MISSION, VISION AND VALUES

IMA's ownership structure serves as the foundation to our mission, vision and core values. As an employee-owned organization, IMA is unique in the insurance brokerage marketplace. Ultimately, owners think differently about the services and products they deliver to their clients. Each IMA associate has a personal stake in maintaining successful partnerships with our clients. We have an entrepreneurial, non-bureaucratic, creative approach to assist our clients in meeting the objectives of their employee benefits and risk management programs.

One of our guiding principles as an organization is to share generously within the communities in which we are doing business. That is why we created the IMA Community Action Committee and IMA Foundation, to ensure that we are giving back in a meaningful way.











Core Values

Professionalism

We set the standard with an unwavering commitment to excellence.

Relationships

We nurture relationships built on trust, integrity, honesty, humility and mutual respect.

Expertise

We are knowledgeable hands-on, collaborative and innovative and passionate about service.

Balance

Our environment encourages a balance of work, family and community.

Results

We constantly strive for profitable growth.

Equity

We embrace diversity, equity and inclusion and are uncompromising in our support and encouragement of all voices.

IMA's Commitment

- + Be a trusted advisor to our clients
- + Build and perpetuate a great company
- + Benefit our employees and their families
- + Remain independent



IMA COMMUNITY INVOLVEMENT

One of our guiding principles as an organization is to support and share generously within the communities in which we do business. IMA team members tutor students, deliver meals to the elderly, fundraise for cultural institutions, support the United Way, build homes, work to improve early childhood education, adopt schools, donate to reduce homelessness and volunteer at dozens of local organizations. This is demonstrated through the examples of our leadership, as well as the financial contributions of our corporation and the time dedicated by our employees. Of course, we do these things not for acclaim, but because we live, work, learn and play in our communities.

Difference Day

IMA's mission to make substantial change for the cities it supports was on display during I Make a Difference Day when our IMA communities came together at once to make lasting improvements. Associates rolled up their sleeves and flew the IMA flag to show that corporate responsibility is everyone's responsibility.



IMA employees, families and friends donated approximately 1,500 hours across the country. It was the annual event's largest showing. Most importantly, IMA showed kids we care, beautified cultural icons and supported the disadvantaged.

OUR BUSINESS MODEL REVOLVES AROUND PEOPLE. WE KNOW OUR GREATEST ACHIEVEMENTS OCCUR WHEN WE WORK TOGETHER.



b. Highlight experience and track record providing insurance consulting and brokerage services to professional service organizations of similar size and industry to Cresa.

IMA has developed a range of tailored strategies and initiatives specifically designed to address the unique challenges and opportunities faced by our clients in the professional services industry. Drawing on our extensive experience working with professional service clients and their employees, we have implemented numerous programs that effectively address the distinct aspects of these health and welfare programs. With a strong portfolio of real estate and professional services partnerships already in place, we have extensive experience and insights into cost-containment strategies such as reference based pricing and alternatives, direct primary care models, captives, and unbundled solutions.

Our focus areas for real estate health and welfare programs include:

- + **Charge backs and site costs:** We understand the importance of managing charge backs and site costs effectively, and we have developed strategies to optimize these aspects within your benefits program.
- + **Generationally targeted benefits:** We recognize that different generations have unique needs and preferences when it comes to employee benefits. Our approach includes tailoring benefits to target specific generational cohorts within your workforce.
- + **Mental health and behavioral health:** We prioritize mental health and behavioral health support, providing comprehensive programs and resources to address these critical areas of employee well-being.
- + **Fertility and family-forming programs:** We offer specialized programs that cater to fertility and family-forming needs, aligning with your organization's diversity, equity, and inclusion (DEI) initiatives.
- + **Stability of budgeted spend:** We understand the importance of maintaining stability in budgeted spend. Our strategies and initiatives are designed to provide predictability and control over costs within your benefits program.
- + **Perks and non-insured benefits:** In addition to traditional insurance coverage, we offer a range of perks and non-insured benefits that enhance the overall employee experience and satisfaction.
- + **Health care system steerage:** We implement strategies to guide employees towards high-quality, cost-effective healthcare providers and facilities, optimizing outcomes and minimizing unnecessary expenses.
- + **Near-site clinics:** We recognize the value of convenient access to healthcare services. Our near-site clinic programs bring primary care and other essential services closer to your employees, promoting improved health outcomes.
- + Whole Health consulting and integration with Cresa's program: Our holistic approach to health consulting ensures that your benefits program integrates seamlessly with Cresa's overall strategy, optimizing employee well-being and organizational performance.

Furthermore, utilizing our People Analytics platform, industry data, insights from similar clients in our book of business, and demographic similarities, our team will generate a customized benchmark report specifically for your program. This report, along with our Real Estate industry persona, serves as a valuable framework that enables our IMA consulting team to establish meaningful connections with your benefits management team, aligning your program with industry best practices to attract and retain similar clients.



c. Demonstrate your knowledge of the insurance market, including access to various insurance carriers, your knowledge of appropriate benchmarks, and your ability to negotiate competitive premiums.

IMA's ability to facilitate optimal insurance placements relies on two core competencies that we believe set our consulting teams apart: effective risk management and the development of long-term strategic plans that deliver the highest value for insurance investments. Our process begins with IMA's approach to independent underwriting, which leverages our People Analytics platform. Through this platform, our consulting team will conduct a comprehensive assessment of your program's risk and expenditure to determine the most suitable level of insurance coverage and self-insurance funding. This assessment encompasses an evaluation of your current Reference-Based Pricing (RBP) and wrap network integration, as well as potential considerations such as stop-loss coverage and pharmacy coordination. The outcome of this analysis will be a projection of the appropriate budgetary allocation in premium equivalents and resulting fixed costs that form the foundation of your program.

To enhance this risk analysis, we harness our extensive expertise in demographic and geographic risk assessment, supplementing it with benchmarks derived from our specific book of business as well as external data sets. These insights empower our analytic team to formulate well-informed recommendations regarding networks, plan design, stop-loss insurance, and administrative charges. Given Cresa's existing utilization of a reference-based approach, our deep understanding of health system net prices and Medicare-like rates will inform our team's efforts to optimize the comprehensiveness and efficiency of your program.

Moreover, IMA possesses comprehensive knowledge of both national and regional networks, including broad access, wrap, direct contract-based, and tiered options. We will leverage this expertise to ensure appropriate pricing for high-end risks, while strategically incorporating incentives to guide members towards the most suitable sites of care. By aligning network selection with risk management objectives, we aim to maximize the effectiveness of your insurance program.

IMA also has both local and national C-level relationships and preferred status, which brings leverage for client needs.

Cresa's service team has personal experience launching industry specific captive programs as well as complex unbundled client accounts. Our team can provide additional support by pulling from their experience with direct contracting and negotiations, Rx carveouts and repricing, Direct Primary Care, Near site and onsite clinics, virtual care models etc. Together we can help identify the most effective strategy for Cresa to maintain aggressive cost control of the program while enhancing the experience for employees.

To further demonstrate IMA's knowledge of the insurance market we have included industry benchmarking and insights in the appendix section of our response.

Reference-Based Pricing Plan Management

Controlling healthcare claims costs while improving outcomes for employees and their families continues to be a challenge for employers. It is no longer good enough to address rising healthcare costs with increased deductibles, contributions, network discount analysis, or traditional wellness programs. Top performers today are looking at alternative health care delivery systems, value-based benefits, predictive modeling and programs that get members back to their providers and out of the facilities. IMA has had multiple clients implement a referenced-based pricing program to reduce their health plan spend. The IMA consulting team has navigated the full spectrum of a reference-based pricing program – from vetting multiple carriers, to implementation, to ongoing management and even terminating the program.

IMA recently gained a new client with a reference-based pricing plan in place. The client was frustrated by the lack of understanding of the program by their employees and the list of balance bills was growing every week without many getting closed/resolved. The IMA team used our experience to set up recurring balance bill review calls and worked with the TPA to significantly upgrade their balance bill tracking report to include crucial data points such as collections status, collections agency, last activity date on claim, responsible party, state statute of limitations, priority coding to rank balance bills, etc. Through these efforts we have been able to cut the balance bill list in half, all while new balance bills have been added as members utilize services. This active hands-on management has allowed the client to better understand the outstanding liability and feel more comfortable with the program. We also performed a full marketing of the TPA services for this program and brought a suite of carriers that the client wasn't even aware existed in this space. That allowed the client to evaluate their current TPA and choose a best-in-class TPA to continue their reference-based program into the future.

For a full blown RBP plan, the single most critical component to the success of the program is arguably employee communications and engagement. Given the relatively disruptive nature of the program model, it is imperative to be in front of employees early and often. We support our clients throughout the entire process.

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d. Describe your experience developing and implementing non-traditional plans, including, without limitation, reference-based pricing, direct primary care, use of limited networks (such as PHCS) and experience integrating different plans.

Your IMA service team has extensive experience with all available funding models, such as self-funding, reference-based pricing, captive underwriting, and other alternative funding models, including compliance and plan design consulting.

Our job is to bring you data to make an informed decision, and at the end of the day, it is your decision.

Reference-based pricing (RBP) is a unique funding model and one that we recommend only when the client is comfortable with potential disruption and a heavier administrative burden on Human Resources when factoring the additional commitment to employee communication. Reference-based pricing is typically attractive to the finance function because of aggressive cost saving projections, which may in-fact be legitimate. However, the employee frustration and administrative challenges is usually such a disruption that employers do not stay in these arrangements for very long.

In general, reference-based pricing models aim to set prices at or below Medicare reimbursement rates, which are typically lower than commercial insurance rates. However, the specific percentage of Medicare paid can vary depending on the negotiation between the provider and the payer. It is not uncommon for reference-based pricing models to pay between 120% to 200% of Medicare rates, although some models may pay closer to 100% of Medicare rates or even less. IMA has extensive experience in helping clients navigate the challenges and opportunities that RBP models present.

COST CONTAINMENT STRATEGIES

There are many different methods that can be implemented to help reduce and contain costs. Our approach focuses on both what is best for our client today and in the future. We find that using a cookie cutter approach to cost containment isn't effective, as what might work for one group might not work for the other. For us, each client is unique, and whatever cost containment strategy we employ should be customized to them by understanding their entire business and strategy.

Some examples of cost containment strategies include:

- + Carrier placement compatibility analysis ensuring network strength and provider discounts are suitable for employee locations
- + High performing networks such as ACOs or value-based networks
- + Healthcare concierge or cost-transparency services
- + Near-site/onsite clinics for direct primary care
- + Creation of a domestic provider network with plan design incentives
- + Case rate payments
- + Pharmacy carve outs or pharmacy rebate sharing in the fully insured environment
- + Strict or closed formularies that include step-therapy requirements
- + Stop-loss captives
- + End stage renal disease/dialysis carve outs
- + Negotiation of multi-year administration agreements
- + Implementing a virtual, text-based health plan option
- + Implementing wellness strategies including:
 - Nurse case management
 - Disease management
 - Biometric testing and profiling
 - Lifestyle coaching
 - Outcome-based wellness program tied to premium differentials



Onsite Clinic Arrangements

IMA has reviewed and successfully implemented onsite medical clinics, built a customized client clinic arrangement in partnership with a local hospital/physician practice, engaged near-site clinics and implemented Direct Primary Care (DPC) solutions for multiple clients. This is an example of a recent project reviewing onsite clinic solutions for two of our clients. With both clients located in the same city, we proposed a series of options regarding onsite health clinics. The options range from individually owned clinics, to individually owned yet mutually shared clinics, to multiple mutually owned clinics. The scope of the review captured onsite clinics, near-site clinics and Direct Primary Care.

The IMA team followed a defined process of review to these clients to ensure an informed decision and successful program, if elected.

That process entailed:

- + General introduction of the concept of onsite/near site clinics and DPC to each entity
- + Educating over the course of several meetings the value of a clinic arrangement
- + Illustrating, with detailed data specific to each client's actual utilization, the potential for plan savings
- + Detailing the pros and cons of individual versus shared clinic arrangements
- + Vetting multiple clinic vendors
- + Presenting detailed analysis of each scenario and vendor to both clients
- + Facilitating finalist presentations by three selected vendors to a joint meeting of client decision makers
- + Facilitating a vendor review and scorecard, as well as follow-up conversations
- + Initial illustration of project plan through implementation and go-live

The initial recommendation from IMA was for both entities to develop and own their individual onsite clinic and create a shared arrangement in which members of both clients could access either location. This would double the locations for members and encourage more utilization, which ultimately benefits the plan through both avoided spend and future plan performance savings.

Ultimately, IMA's recommendation was to pursue individually owned clinics as a starting point. We have recommended selecting the same vendor from the three finalists so that a Phase II of sharing would be easily accomplished without having to change one vendor or try and coordinate two competing vendors. One of the two clients elected to move forward with a near-site clinic; the IMA team drew on their experience implementing and managing clinics with other clients to provide a detailed project plan for implementation and communication to members. The current financial/savings analysis is built to be continually updated and will be reviewed annually. As time goes on, the year-over-year analysis will clearly and concisely demonstrate the cost/(savings), participation and success of the program so that our client can make informed decisions on the ongoing management of the program.

e. Describe your experience using Professional Employer Organizations (PEO) to provide services either as a standalone program or integrated with other plan components.

Your IMA team has incredible depth consulting our clients on the advantages and disadvantages within various PEO models. Our service teams are accustomed to extracting groups away from a PEO as well as working in conjunction with many PEO vendors on an ASO (Administrative Services Organization) basis. When clients are partnered with a PEO on an ASO basis, the IMA team can still allocate our entire scope of services and oversight of the benefits program without limitation. Alternatively, when clients wish to pull away from their PEO vendor, the IMA service team will assist with all aspects of underwriting to ensure that all of your plan participants have coverage in the areas in which they live and work.

Additional ways IMA can support Cresa if moving away from a PEO include:

- + Benefits Technology Platform/BenAdmin implementation
- + Comprehensive Marketing and Evaluation
- + Customized Implementation and Renewal Timeline
- + Employee Benefits
- + EPLI
- + Payroll Vendor RFP
- + Retirement
- + Workers' Compensation

It is worth noting that we typically see more efficiencies and customization of HR and payroll functions if groups of Cresa's size move beyond a PEO. We work closely with our clients to assess their unique needs and goals, and then tailor solutions that align with their specific requirements. We leverage our extensive knowledge of the employee benefits landscape to recommend the most suitable options, which may include PEOs as well as other solutions such as traditional benefit providers, self-insured arrangements, or other third-party service providers. PEO solutions are most effective serving employers with 20-75 full-time employees which is much smaller than Cresa's current size.

Our objective is to provide comprehensive and customized employee benefits consulting services that address the specific challenges and objectives of our clients. We bring a diverse range of experience and expertise to the table, ensuring that we can guide organizations through the intricacies of employee benefits regardless of their chosen approach.

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f. Provide general commentary on where and when you feel insured plans, self-insured plans and alternative plans are appropriate for a company like ours.

IMA'S SELF-FUNDING STRATEGIES

IMA's capabilities and experience are wide-ranging in all funding methodologies for health insurance, including both fully insured and self-funded health plans. We can support nearly unlimited benefit plan arrangements, provider network configurations, and a full suite of medical management services that can yield significant savings to a self-funded employer. As health care increases continue to outpace inflation and employee earnings, employers are increasingly demanding greater transparency and control from self-funded health plans. IMA is nationally recognized as one of the industry leaders with self-funding strategies. Approximately 2/3 of IMA's clients are self-funded with either a "bundled" or "unbundled" program so we have extensive experience evaluating self-funding strategies. IMA provides broad experience and consulting in both Administrative Services Only (ASO) and "unbundled" self-insured plans.

IMA would therefore assist Cresa in evaluating the pros and cons of self-funding via ASO or unbundled structures to determine its viability.

- + Administrative Services Only (ASO): IMA supports many clients who choose to work with large national carriers (Aetna, Cigna, United Healthcare, Blue Cross) on an Administrative Services Only (ASO) self-funded platform.
- + **Unbundled:** IMA also supports many clients who opt to "unbundle" all of the key components of self-funding (Third-party Administrator, provider network, pharmacy benefit manager, disease management) seeking interchangeable, best practices.

BUNDLED UNBUNDLED **FULLY INSURED** SHARED FUNDING SELF-FUNDED **SELF-FUNDED** + Pay monthly + Fully insured with + Administrative + ASO Carrier premium to opportunity to Services Only (ASO) or Third-Party share in good claims Administrator (TPA) insurance + Packaged offerings experience company + Choose partners + Pharmacy Benefit + Pay monthly Manager (PBM) + Carve-Out PBM and premium tax partnerships Stop-Loss + Packaged offerings + Limited external + Full claims + PBM partnerships reporting partners + Limited or no + Full claims reporting claims reporting

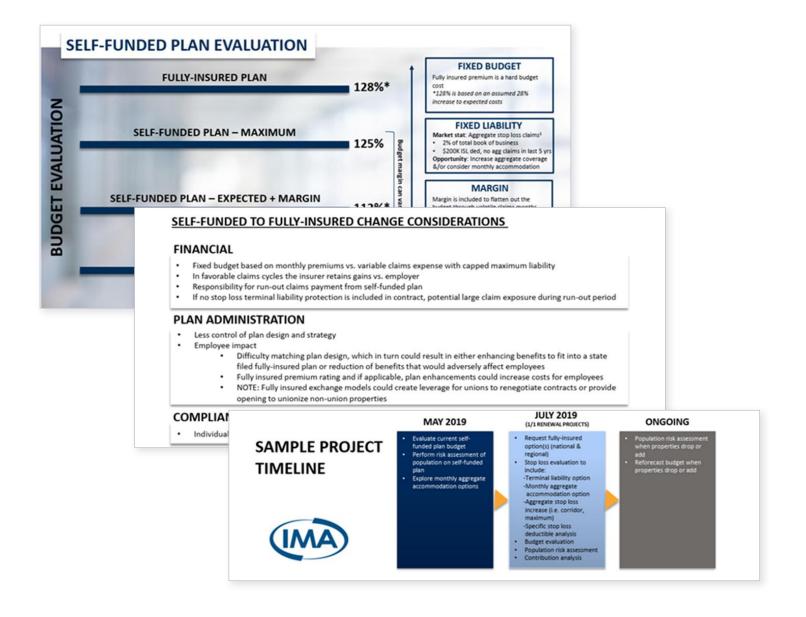
FINANCIAL ANALYSIS

Before implementing a self-funded model, it is important to understand the benefits and risk involved. IMA has performed this evaluation in the past for Cresa and would obviously continue to evaluate this in the future. Our teams utilize actuarial modeling tools developed by Claros Analytics to assess and analyze risk across the fully insured and self-funded spectrum. Our tools run Monte Carlo simulations to illustrate a range of likely outcomes to help clients understand risks when self-insured. Once self-funded, these tools allow our clients to understand the impact of risk management alternatives such as determining appropriate stop-loss levels.

Our team employs an actuary, **Jordan Paulus**, Vice President, Director, Strategy and Analytics. Jordan is fully credentialed as a Fellow of the Society of Actuaries (FSA) and Member of the American Academy of Actuaries (MAAA) and provides guidance and oversight during our risk management efforts.



JORDAN PAULUS, FSA, MAAA VP, Director of Strategy and Analytics



IMA'S SELF-FUNDING EXPERTISE

Health plans cannot continue to absorb annual cost increases of 10% or more, for their healthcare premiums. Passing costs on to the members through higher cost sharing, minimizing cost increases through plan design modification, or leveraging a better rate by changing carriers are merely short-term fixes. These strategies have run their course over the last decade and employers are looking to their broker for tangible solutions that extend far beyond the annual "stoplight to stoplight" practices of benefits planning of the past. IMA has spent the last two decades developing a national reputation as an expert in self-funding strategies. As a result, we have extensive tools, institutional knowledge, and strategies for what is possible for Cresa to consider for the future.

IMA's ideal strategy begins with discussions of "what's possible?" with self-funded plans detailed in various focus areas illustrated below.

COMPLIMENTARY PROGRAMS AND SERVICES WE SEE WORKING WELL TODAY:

- + Claim audit and review
- + Clinical advocacy of second opinion
- + Direct payment provider strategies
- + Integrated Leave Management
- + Integrated strategies
- + Onsite clinics
- + Pharmacy Benefit Management with transparent, pass-through delivery models
- + Telemedicine
- + Transparency and decision support tools
- + Whole Person Centric Care Management

COMPLIMENTARY PROGRAMS WE FIND NOT WORKING WELL TODAY:

- + 24-hour nurse lines
- + Disease management, case management and utilization review
- + Non-integrated strategies (i.e., sharing of actionable data)
- + Pharmacy Benefit Management with traditional models
- + Traditional PPO networks
- + Wellness programs by insurance companies

Self-Funded Plan Data Analysis and Reporting

IMA utilizes an in-house claims analytics system, IMA People Analytics, powered by Cedar Gate to guide clients in interpreting health and prescription drug data to understand the true cost drivers and risks of their health benefits plan, helping them make informed decisions about self-funded strategy. People Analytics utilizes a partnership with Cedar Gate Technologies, which integrates insights from Cedar Gate's clinical team with best-in-class analytics tools from Milliman, Clear Health, Truven (IBM Watson), and others to assess care quality and clinical appropriateness, and to project future costs. Using these insights, IMA utilizes partnerships with cost management and care management solutions to align problems with impactful cost savings solutions, and track outcomes to evaluate ROI.

IBNR Calculation Support

Included in our scope of services is the period development of incurred but not reported (IBNR) reserves. IBNR estimates typically begin with reviewing claims payment patterns (obtained through lag reports) and combining that information with overall monthly paid claims history and large claims reports, with consideration for past runout history. Results are delivered with reserve estimates for each line of self-insured business, any reserving that you wish to include for non-claims items (for example, administrative fees), and a provision for margin, if requested. Accompanying these results is a short narrative explaining any significant factors impacting IBNR reserves. We will work with you to determine the appropriate frequency of reserving, though since reserves can be greatly impacted by month-to-month random variance, we typically suggest providing reserves no more often than quarterly.

IMA employs an in-house actuary. Jordan Paulus, Vice President, Director of Strategy and Analytics is a Fellow of the Society of Actuaries (FSA) and Member of the American Academy of Actuaries (MAAA) with both credentials obtained in 2012.



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Reserve Tracking & Summaries

As part of our analysis and development of IBNR reserves, our teams review past reserves estimates compared to historical runout from their corresponding months. While we expect that there will be some variance between past estimates and actual runout in a given month, we specifically consider whether past reserve estimates are commonly higher or lower than actual runout and use this information to help inform future estimates. Depending on the level of information sought, we can include this historical review as part of our IBNR reporting.

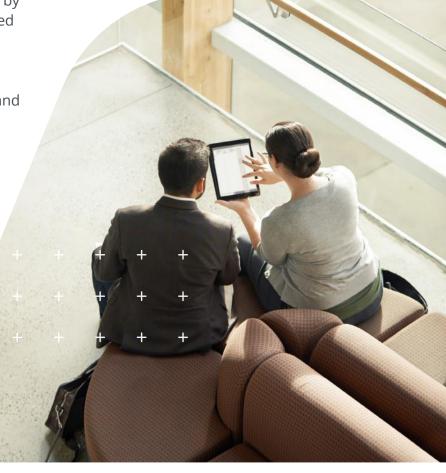
In addition, we provide tracking of monthly claims, enrollment and fees, along with a dashboard comparing emerging year-to-date results versus prior budgeted estimates. Our teams use this dashboard to understand key financial metrics and track large claims that may require additional attention or may result in stop-loss reimbursements.

Provided more detailed claims can be provided by your TPA, in-depth claims review can be provided via IMA People Analytics, powered by Cedar Gate. Additional analyses include customized care delivery benchmarking, utilization and cost-per-service analyses, risk profile analysis, and potential savings analyses.

Stop-Loss Insurance Expertise

For many clients, stop-loss insurance is a major portion of overall benefits cost. Our teams focus significant efforts on obtaining and managing stop-loss insurance throughout the year. IMA maintains relationships with a number of preferred stop-loss providers, which helps us to obtain competitive rates and manage the claims payment process.

Our teams collaborate with your TPA to obtain and understand information regarding large claimants, and we use this analysis and data to work with stop-loss carriers to obtain competitive, timely quotes. Once the stop-loss insurance is in effect, we track claimants throughout the year, and alert you when large claimants emerge. When claimants do hit the stop-loss threshold, we work with the chosen stop-loss carrier to ensure that claims are properly paid in a timely manner.



IMA'S SELF-FUNDING SUCCESS STORIES

EXAMPLE 1: PHARMACY BENEFIT MANAGER (PBM) AUDIT

IMA analyzes client's actual prescription drug charges compared to the marketplace. Contractual enhancements, discounts and hidden revenue streams at the Pharmacy Benefit Manager (PBM) are analyzed and negotiated annually to provide clients a transparent cost containment contract. IMA provides plan sponsors with a detailed report that includes: prescription-by-prescription analyses that enable the sponsor to compare their current pharmacy benefit manager (PBM) drug prices to optimal drug prices with best in class PBMs.

IMA defines "optimal" drug prices as prices provided by PBMs who operate with a zero spread price, 100% pass-through, one MAC price list that ultimately can reduce pharmacy drug costs from 10-40%. IMA does not accept compensation from PBMs and as a result we are able to bring an independent, unbiased approach to pharmacy benefit cost containment.

ADDITIONAL IMA PHARMACY BENEFIT ANALYTICS RECENT FINDINGS:

| EMPLOYER | REALIZED ANNUAL PHARMACY BENEFIT SAVINGS |
|-------------------------------|--|
| Employer with 520 employees | \$350,000 |
| Employer with 3,200 employees | \$1,200,000 |
| Employer with 9,000 employees | \$1,900,000 |

EXAMPLE 2: HOSPITAL BILL AUDIT AND REVIEW

For a particular one-page hospital bill summary totaling \$140,000, IMA requested the itemized bill. We discovered that one hour of renting an emergency room for critical care was billed for \$6,624 when legally and contractually the hospital can only charge \$648 for emergency room usage. IMA's services reduced the client's charge for the service by 90%, or \$5,976.

Another client received an OB-GYN bill for \$113,689 as a single line item total for rendered services. Upon receiving the itemized bill, we noticed a charge for a robotic-assisted arm for a hysterectomy, something that was clinically unnecessary for the procedure. We were able to reduce the bill by \$35,926 for the uncalled-for robotic arm.

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g. Understanding our current medical plans includes reference-based pricing, please describe what challenges you have encountered with RBP and how you have overcome those challenges with your clients.

Reference-based and bundled pricing models will continue to grow in certain market areas and in different capacities. For example, many of IMA's clients have implemented some version of reference-based pricing particularly in out of network benefits and targeted costly treatment services such as dialysis. In addition, specialty networks such as surgery networks that negotiate bundled case rates for procedures are creating savings for clients.

We are well versed in reviewing reference-based pricing solutions for clients ranging from full program to targeted (such as for out-of-network claims pricing/negotiation only). We have existing and clients utilizing this approach. IMA was with them every step of the way from the front-end vetting and savings and member impact analysis to implementation to ongoing program management and support. For those that had RBP and left, we ran the analysis to determine the potential plan cost or savings, implementation support and advised on addressing outstanding balance bills, credit impairments or other lingering employee issues.



h. If you were awarded the business with an Aug 4, 2023 effective date, please provide a proposed timeline to ensure the 2024 offerings are evaluated appropriately and communicated effectively for a November open enrollment date.

INITIAL PROGRAM AUDIT

Before determining strategies and timelines, our immediate action item would be to gather as much information as possible from Cresa, the insurance carriers, claims reports, contracts and other vendor partners in order to provide you with an overall program review. The objective is to address the current state of the benefits programs for Cresa – what's working, what's not working, and what alternatives need to be examined as we look to develop our strategy on marketing.

A program audit is also performed to determine benchmark plan designs, contribution strategies, and eligibility, address concerns and make recommendations.

As an example, we would do the following:

- + Analyze Cresa 's medical, dental, vision, life and disability plans, claims, contracts, etc. to identify potential changes that would sustain Cresa 's competitive advantage in recruiting and retaining employees and bring you in line with nationwide best practices for providing health benefits
- + Determine the benefits to Cresa and to the impact on employees of identified plan changes (domestic and international)
- + Evaluate employee health risk factors, culture and potential wellness effectiveness.
- + Evaluate regulatory compliance risk factors
- + Determine the financial impact of identified plan changes to Cresa and employees for premium, contribution and plan design changes
- + Assess benefit funding strategies (various self-funding models)
- + Analyze utilization data
- + Assist Cresa with determining benefit and impact of additional benefit plans

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As a trusted partner, we closely collaborate with our clients' teams over a year-long cycle to optimize their benefits programs and deliver an exceptional employee benefits experience. The following is an example of a timeline of activities for the coming year with Cresa. Obviously, we would need to have thorough discussions with Cresa on your goals, needs and approach before we could formalize an actual timeline of activities. The following outlines our first two months of working with you and the following sample will be amended once we have passed the initial Phase I.

PROPOSED TRANSITION PLAN

| PHASE I – ACTIVITY | RESPONSIBLE PARTY |
|--|-------------------|
| AUGUST 2023 KICK-OFF MEETING AND INITIAL PLANNING PHASE | |
| Introduction of IMA to Cresa key stakeholders | Cresa + IMA |
| Review communication protocols within Cresa | Cresa + IMA |
| Broker of Record (BOR) Letters sent to Cresa for execution | IMA |
| Development of Broker Services 12-month calendar draft for Cresa's review including open items meetings, claim reviews, budgeting process, actuarial, renewal strategy and renewal presentation meetings | IMA |
| Begin interim policy review and gap analysis | IMA |
| Obtain prior brokers list of open items | Cresa + IMA |
| AUGUST-SEPTEMBER 2023 STRATEGY MEETING | |
| Review Cresa's long- and short-term goals | Cresa + IMA |
| Discuss Cresa's current and desired future risk management initiatives | Cresa + IMA |
| Review Cresa's current Total Cost of Risk (TCoR) | Cresa + IMA |
| Discuss options for different program structures and determine next steps | Cresa + IMA |
| Identify opportunities for education and training | Cresa + IMA |

Our consultative approach is an ongoing, year-over-year process that includes data and strategy review, compliance review, pre-renewal and renewal work, and implementation/year-end support. This cycle never ends, rather it is continually building upon itself, forming into a well-developed multi-year strategic plan.

ONBOARDING CRESA

IMA's onboarding process is to facilitate a mutually beneficial partnership between Cresa, IMA and all viable vendors that will result in a benefits plan that best aligns with Cresa's strategic and financial goals. We customize our marketing efforts based upon these goals and rely on our strong vendor relationships and expertise/experience to evaluate and outline all the options for clients. The core service team assigned to work with Cresa also handles the onboarding and implementation. We find this approach eliminates duplicative efforts, miscommunications and ensures client satisfaction in establishing a working relationship with your IMA team.

IMA Onboarding Project Objectives

PROCESS MANAGEMENT

- + Pre-marketing data gathering and validation
- + Provide market list recommendations and design of RFP scope of work and questionnaire
- + Full management of bidding process
- + Analysis and evaluation of proposals
- + Full management of negotiation efforts with bidders
- + Presentation of results to Client
- + Coordination of vendor finalist presentations

COST ANALYSIS

- + Provide administration services cost comparison to include multi-year options and contractual credits
- + Medical plan network evaluation and analysis, to include geo-access, network disruption and discount analysis
- + Evaluate introduction of regional network options in key markets and impact on overall plan cost and projected plan enrollment

BENEFIT TO CLIENT

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- + Full management of RFP process from pre-work to delivery of results and coordination of finalist meetings
- + Potential cost savings to administration services through bid process
- + Potential cost savings due to an identified improvement to the current network
- + Potential employee experience benefit if an administration change results in better consumer tools/ interface and/or an alternative network results in better access to providers/facilities



IMA will perform a thorough analysis of the market offers using its proprietary underwriting assumptions/projections. This exercise provides negotiating leverage with the current vendors for the upcoming policy year.

Specific areas include, but are not limited to, the following:

- + Validate the incumbent consultant/broker renewal methodology
- + Evaluate alternative programs and pricing offered by the incumbent carrier
- + Conduct a thorough analysis of similar alternative carriers

IMA will work with Cresa to develop a customized Annual Client Service plan that outlines services throughout the year and establishes a full client interaction lifecycle.



The client lifecycle illustration above is a typical customer strategic planning and service schedule that accomplishes those goals. To follow is another example of what our typical calendar plan looks like for each client.

SAMPLE **2024 TIMELINE**

1ST QUARTER

JANUARY

- + Cedar Gate Dashboard Set-Up Meeting
- + Wellness Strategy Meeting
- + Monthly Call

FEBRUARY

- + Strategy Meeting
- + Communications
 Planning Meeting
- + Monthly Call

MARCH

- + Compliance Review
- + Monthly Call

2ND QUARTER

APRIL

- + IMA Year-End Utilization Review (if needed)
- + Monthly Call

MAY

- + Lincoln Year-End Utilization Review
- + ESI Year-End Utilization Review
- + Monthly call

JUNE

- + Renewal Meeting
- + Monthly Call

3RD QUARTER

JULY

- + OE Communication Planning Meeting
- + Vendor Initial Implementation Meeting (if needed)
- + Monthly Call

AUGUST

- + Final Renewal Meeting
- + Q3 QBR
- + Monthly Call

SEPTEMBER

- + IMA Mid-Year Utilization Review
- + Monthly Call

4TH QUARTER

OCTOBER

- + Open Enrollment
- + TPA Marketing Project Kick-Off Meeting (if needed)
- + Monthly Call

NOVEMBER

- + Open Enrollment
- + Pre-Strategy Planning Meeting
- + Monthly Call

DECEMBER

+ Monthly Call

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SAMPLE 3-YEAR STRATEGIC PLAN

2023*

OVERALL

- + Maximize current offerings – Vendor Summit
- + Re-promote programs
- + Find efficiencies
- + Identify collaboration opportunities
- + Cresa/IMA Wellness review
- + Explore Mental Wellbeing solutions
- + Focus on place of service

MEDICAL/Rx PLAN

- + Renew TPA/PBM
- + Renew Carrier
- + Price out Silver Sneakers
- + Market Stop-Loss
- + Review Clinical Recommendations – PBM

ANCILLARY

- + Market Life/DI
- + Market Vision Leverage Renewal

2024*

OVERALL

- + Continued development of Mental Wellbeing strategy and programs
- + Continued focus on place of service

MEDICAL/Rx PLAN

- + Ongoing Med/Rx performance review, plan updates
- + Renew TPA
- + Review PBM for 1/1/2025 Effective Date
- + Renew Retiree solution
- + Market Stop-Loss
- + Review network options
- + Measure performance of on-site clinic

ANCILLARY

- + Market Dental
- + Review/market Fusion Health for effective date

2025*

OVERALL

- + Measure performance of Wellbeing Strategy
- + Measure performance of place of service solutions implemented

MEDICAL/Rx PLAN

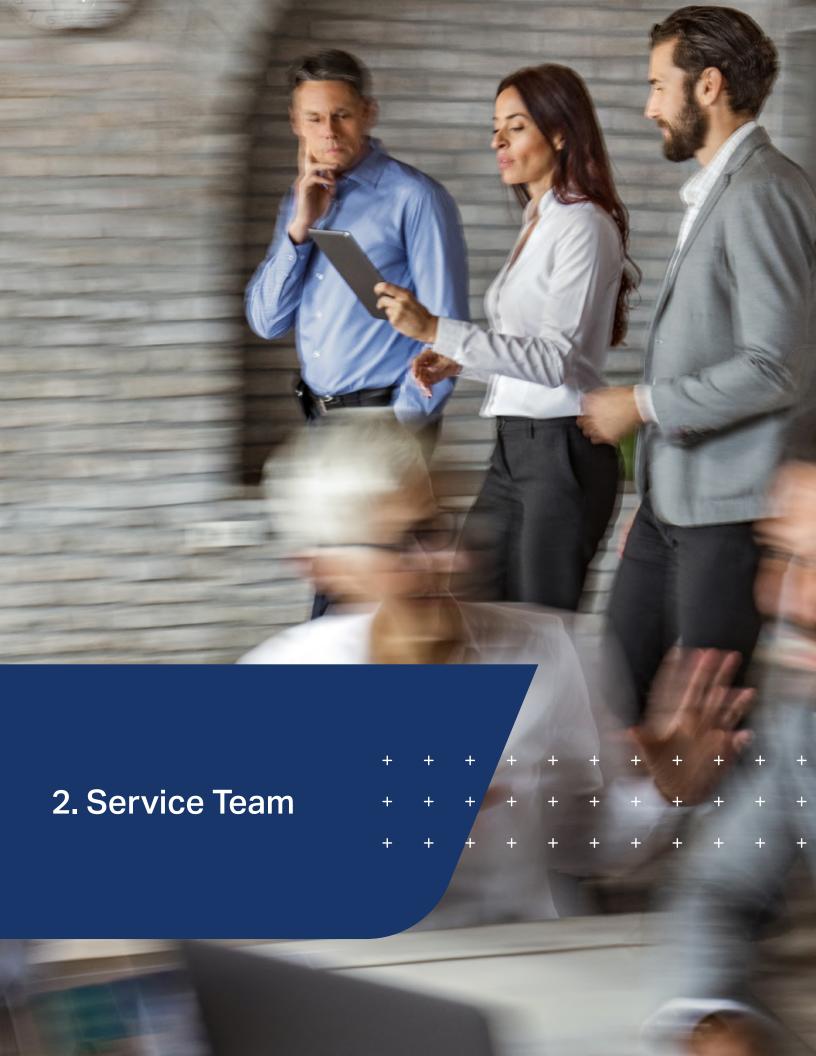
- Ongoing Med/Rx performance review, plan updates
- + Review plan design set-up
- + Explore new industry strategies

ANCILLARY

+ Negotiate Renewals

* Indicates year of project rather than implementation

While we continually review, vet, and recommend solutions that are intended to control future claims cost, our innovation is one area that is starkly different from consulting with clients. We seek out and deliver solutions that are a "win-win" for members and the plan alike. We focus heavily on strategies that are multi-faceted in their benefits; they enhance the benefits, provide an improved member experience and encourage behaviors that result in future savings to the plan. This helps to control costs and mitigate the need for substantial budget and employee contribution increases. By pursuing these types of strategies and controlling costs, everyone wins. The members are happy, the benefits are robust, and the members and management can count on a more consistent and controlled budget.



a. Provide an overview of your proposed team structure to support Cresa's needs.

CRESA'S DEDICATED IMA TEAM



b. Highlight the qualifications, certifications, and relevant experience of key personnel who would be assigned to our account.

| VP, Bei & R | M SCHERMERHORN , Employee nefits Consultant Risk Strategist | 17+ Years of Employee Benefits Experience | Relationship Management and Coordination of Services | Production and Client Retention, Captives and Self-Funded Strategist |
|-------------------|--|---|---|--|
| CD CO | | | | |
| VP, | /IY GOSWICK , Account Executive | 27 Years of Employee Benefits Experience | Employee Benefits Consultant and Strategist | Self-funding and Employee Experience, Vendor Management, Annual Program Life-Cycle |
| Ass | DNNOR CORBETT sociate Account ecutive | 4+ Years of Employee Benefits Experience | Account Management and Day-to-Day Service Contact | Compliance and Communication Support, Day-to-Day Carrier and Employee Issues |
| Ted | TER HEIN chnical Analyst, alyst Team Lead | 12+ Years of Employee Benefits Experience | Account Analyst Team Lead | Financial Underwriting: Claims, Stop-Loss Insurance, PBM Review, Plan Design, Risk Scoring, Premium Equivalents, Captive Analysis, and Contribution Analysis |

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c. Highlight who on the team would be responsible for conducting/ presenting open enrollment meetings and why they are qualified.

Amy Goswick, Account Executive, and **Connor Corbett**, Account Manager, will work closely with the Cresa team to customize the open enrollment experience and solutions provided, including:

- + Assists with the preparation, printing, and delivery of benefit guides for the employees
- + Prepares PowerPoint presentations and other materials for open enrollment, new-hire education, or other meetings as requested
- + Conducts open enrollment meetings at locations and compensation agreed upon by your company and IMA
- + Coordinates design and use of educational content in multi-media formats

- Provides multilingual translation of all materials (may incur additional fees, depending on how many different language translations are requested)
- + Reviews digital and technology benefits vendors (video open enrollment, mobile application options, etc.) as open enrollment options
- + Coordinates insurance companies and service providers at meetings, as needed

IMA's Account Executive and Account Manager will collaborate with the Cresa team throughout the entire open enrollment planning process. IMA will then share plan information and educate Cresa employees on current benefits and how to best navigate the insurance system. Open enrollment meetings can be hosted in both English and Spanish as needed.

We can assist our clients with their open enrollment events at whatever level is necessary. For example, our team can coordinate meetings with the carrier representatives, attend the meetings to act as an additional resource, or even conduct the employee Open Enrollment meetings. We'll also ensure that all materials with respect to benefits, eligibility requirements, rates, etc. are coordinated with the selected vendors.

Much of our open enrollment event support is in the area of communication planning, as we provide or coordinate:

- + Travel
- + Vendor Participation
- + Carriers and flu shot providers
- + Employee giveaways and swag

- + Marketing materials and flyers
- + Presentations of Open Enrollment topics during member meetings

Out of necessity, many recent open enrollment functions for our clients have been held virtually so we've created a comprehensive electronic open enrollment strategy. IMA can support in-person open enrollment meetings, dependent upon a mutually agreed-upon pass-through cost for travel and time expenses if necessary.

Knowing that each of our clients has unique needs with respect to open enrollment, we work together to identify key goals and objectives around their open enrollment process and assist with designing a customized communications and engagement strategy.

- d. Provide the in-house expertise within your company and the respective credentials regarding the following:
 - + Actuarial services and ability to develop funding rates, IBNR, COBRA rates, etc.
 - + Budgeting and cost projections
 - + Communications
 - + ERISA compliance
 - + M&A
 - + Medical director
 - + Pharmacy consulting
 - + Reporting
 - + Stop-loss

IMA's employee ownership allows for us to tap into specialized practice leaders and subject-matter experts in a seamless and concise way for our clients. Over the course of an annual client lifecycle, your dedicated team may need to utilize our in-house actuarial staff, underwriters, wellness specialist, etc. Because our structure at IMA allows us to tap into these subject-matter experts with no cost allocation back to the managing location, we believe our ability to leverage these subject-matter experts is far superior than our competitors who have revenue adjustments for such services.



ACTUARIAL & UNDERWRITING SERVICES

IMA's in-house actuary, **Jordan Paulus**, leads IMA's analytics efforts including population health management and people analytics, as well as leading our analyst teams during the development of risk management strategies, plan design and funding strategies, claims projections and reserving. These actuarial functions are included within IMA's standard scope of services at no additional cost.

In some situations, it may be prudent to seek an independent, third-party certification for some actuarial certifications. In cases such as these, IMA has an integrated partnership with Milliman to deliver independent review or other project work, as needed. The agreements and payment for these services will be invoiced directly to Cresa through Milliman.

BUDGETING & COST PROJECTIONS

IMA believes in utilizing data to drive decisions and recommendations for our clients. Specifically, medical and pharmacy claims should be analyzed bilaterally from both a clinical and financial basis. Analyzing data on a clinical basis allows us to help Cresa understand risks inherent in your population and how long specific large claims might persist and impact stop-loss underwriting. Analyzing claims on a financial basis allows IMA to help Cresa understand trends and develop strategy and allows Cresa to adjust the benefit plan to stay in front of risk and cost trends.

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EMPLOYEE COMMUNICATIONS

IMA's deliverables include the development and implementation of a customized communications strategy and provides customized communication pieces. This includes an annual Communications Strategy Meeting, development of benefit guides, one-page summary sheets, assistance with materials for employee meetings, coordination with vendors to provide additional information, and regulatory notice requirements.

We begin by partnering with our clients to understand specific goals and needs and then work to develop customized marketing and communication strategies. We utilize strategies that consider the various demographics, generational and language differences, geographic or work environment concentration, and plan design or pricing changes, and tailor our communications to fit your organizational structure, as well as the communication styles and preferences of your employees, which will vary based on population and generation. Our omni-channel, year-round communication is intended to optimize the effectiveness of the benefits messaging.

IMA Call Center

A detailed overview of the entire The IMA Call Center eliminates frustration and encourages proper use of your benefit plans by giving you a dedicated, single source contact for insurance-related matters. The IMA Call Center eliminates frustration and encourages proper use of your benefit plans by giving you a dedicated, single source contact for insurance-related matters. Advantages for Employees The IMA Call Center will provide your employees with skilled assistance from a licensed benefits professional via phone or email who will assist with common issues that employees may face when utilizing their insurance plans. All assistance is provided in a discreet, professional and supportive manner. Advantages for Employers In addition to the many benefits that employees experience, there are several administrative benefits as well: + Employee confidentiality/HIPAA compliance + Trend identification in order to troubleshoot benefit trouble areas + Frees up HR to focus on strategic planning The IMA Call Center is a special service that helps employees and HR managers head off small insurance problems – before they become big ones. This can result in greater employee satisfaction and ultimately a savings in time and potentially costs.

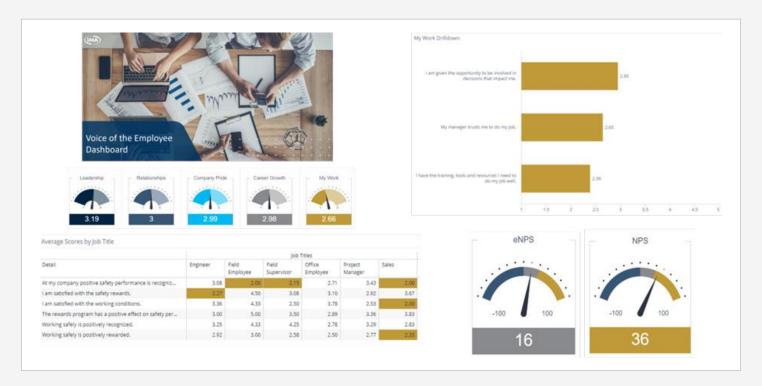
Custom Open Enrollment Brochures

A detailed overview of the entire program for employees to review at open enrollment, upon new eligibility, and throughout the year. These are available both in digital "magazine" format as well as PDF and printed formats.



Employee Surveys/Voice of the Employee

Although typically a planning tool as well, employee surveys can be extremely helpful in communicating the value of the benefit package. Sometimes, a question can be the most effective way to get employees to think beyond their assumptions.



Postcards, Memos, Newsletters

It can sometimes be helpful for employers to reach their staff at home to share important information or announce Open Enrollment, particularly in populations where household decision-makers are not your own employees.

IMA can help create these resources to enhance the communication strategy. Oftentimes these custom resources include a QR code for easy mobile access to announcements, information guides and technology platform login sites.



Live/Recorded Webinars

Long before COVID limited companies' abilities to conduct in-person open enrollment meetings, the IMA team had been hosting and excelling at live and recorded webinars. In the current business landscape, these sessions are critical to engaging your employees virtually. For in-person meetings, we request a minimum of 20 eligible employees per location.



On Demand Communication and Education

A simple, yet very popular communication tool, Brainshark is a video presentation that can best be described as a "voiceover PowerPoint."



The Brainshark presents several unique advantages as a communications tool:

- + The content is entirely customizable
- + It ensures a consistent message to the entire population
- + An employee can watch the entire presentation, or portions of it, as many times as they would like
- + Spouses also have access to the presentation via the internet
- + Easy functionality ability to skip to a specific benefit or part of the presentation with a click of a mouse
- + A link can be sent out via email or posted on your intranet so it can also be a resource for the employees throughout the year
- + It can be used as a recruiting tool to shine a professional image on the organization

Ongoing Employee Education Resources

The complex world of benefits leaves employees confused and as a result, offered benefits are often undervalued. Research shows that approaching communication and education strategically increases employee satisfaction not only with benefits, but also with their employer overall. IMA arms our clients with the tools and resources needed to educate their employees year-round and collaborates on strategic efforts that impact the employer's ROI through increased value.

| Employee Satisfaction | Above Average Benefits | Below Average Benefits 76.2% | |
|---------------------------------------|------------------------------|---------------------------------------|--|
| With Effective Communication | 83.6% | | |
| Without Effective Communication | 25.7% | | |





Mobile App

All of the major medical insurance carriers provide their own mobile application platforms which include up-to-date carrier directories, employee ID information, schedules of benefits, video and telemedicine access, and a number of other helpful features. Some clients want to take that a step further and provide employees a custom Benefits App. The IMA app provides employees and their enrolled family members with a myriad of resources available via phone, app, or website. Particularly for distributed workforces, this gives employees and their dependents the freedom of self-advocacy and educated decisions around healthcare.

Cresa:

Cal for India

Sub-local Sub-local

Color Sub-local

Sub-local Sub-local

Color Sub

- + Links to all benefits information and contacts
- + Integrated benefits such as telemedicine, advocacy and wellness
- + Plan details
- + Ability to store ID cards
- + Connections to savings apps such as GoodRx
- + Plan balances connected real-time (carrier data integration permitting)
- + Upload and access to Cresa's custom benefit guide
- + Find a provider feature
- + Push notifications

Employee Decision Support Tools

Many of our clients utilize Al-driven employee decision support tools such as Flimp, Alex by Jellyvision, GuideSpark and Picwell. These tools can often be aligned with Benefits Administration Technology to maximize access and employee utilization during the Open Enrollment process.

Our team engages in the implementation of communication in the following ways:

- + Assist with the preparation, customization, printing, and delivery of benefit guides for the employees
- + Prepare and customize presentations and other materials for open enrollment, new-hire education, or other meetings as requested
- + Coordinate insurance companies and service providers at meetings, as needed
- + Coordinate design and use of educational content in multi-media formats
- + Provide multilingual translation of materials, if needed
- + Support evaluation, negotiation and implementation of digital and technology benefits vendors (videos, mobile apps, etc.) as open enrollment support options
- + Conduct onsite and/or virtual open enrollment meetings
- + Support the EDI feed process in coordination with technology vendor and client

HR videos, communications and benefits decision-support tools for employee benefits, new-hire onboarding and training.

ALEX benefits communication software helps employees make better decisions about their benefits

These are only a handful of the communication resources IMA offers our clients. There is much more to be explored with Cresa depending on the appetite for engagement, including embedded video/digital content creation, mobile or text alerts, and more.

ERISA COMPLIANCE

IMA will perform a comprehensive in-person compliance review led by ERISA counsel on behalf of Cresa. This review serves as the baseline for assessment of Cresa's compliance with federal, state and local regulations and will be repeated at a minimum of every three years or when significant federal regulatory changes occur.

In addition, IMA releases legislative updates and briefs via email and webinar which outline new benefit regulations and/or clarify regulations that have been previously passed throughout the year. The consulting team will bring attention specifically to any legislation that would impact Empower. In addition to a description of new laws or changes, we will advise Empower on how to modify administrative procedures to ensure compliance.

IMA recognizes the greater prevalence and impact of state and local regulations on our clients and will review state and local regulatory changes that may impact Cresa annually, as well as real-time throughout the year.

COMPLIANCE SERVICES

- + Compliance review/audit
- + Compliance practice actively monitors all Federal and state-by-state regulations affecting ERISA and non-ERISA governed plans, including the Patient Protection and Affordable Care Act (PPACA), and currently, pandemic-related regulations such as FFCRA and the CARES act. Together we focus on identifying innovative options, as well as how to effectively communicate and manage the impact of compliance
- + Provide regulatory resources and information on recent legislation, answer common questions, and provide forms for COBRA, ADAAA, USERRA, FMLA, Medicare Part D and Section 125 plan administration
- + 5500 collection and facilitation of filing

KC Rippstein is IMA's Employee Benefits Governance and Compliance Practice Leader. KC assists clients across the nation with compliance questions, reads new laws and regulations, communicates new rules to employers, and develops presentations and tools to facilitate compliance. KC holds a Life and Health insurance license, has earned CEBS®, RHU® and REBC® designations, and is a Certified Self-Funding and PPACA Professional.



KC RIPPSTEIN *Employee Benefits Compliance Practice Lead*

IMA's Compliance Practice will work closely with your team to provide robust support touching all aspects of Cresa's program, including the additional items listed below:

- + ANNUAL IRS FORM 5500 PREPARATION Signature-ready IRS Form 5500(s). The following services are included in IMA's Form 5500 Services: Form 5500 preparation and reporting assistance for all types of employee benefit plans; Extension preparation (Form 5558); signature-ready Form 5500s and all related attachments for pension plans and health and welfare plans (except audited financial statements); Compliance with the Department of Labor's mandatory electronic filing system.
- + ACA ANNUAL REPORTING IMA's Compliance Practice publishes short educational videos on how to complete the annual ACA reporting with examples of what your forms should look like. Your IMA service team can help ensure that your payroll provider provides you the information necessary to populate Part III of your 1095-C forms. While our videos and examples should help you feel confident that you can audit your forms as completed by your third-party reporting vendor, IMA's Compliance Practice lead, KC Rippstein, will review forms to ensure compliance. Preferred partner vendors are also available to handle reporting. Cost is negotiated and paid directly by employer.
- + COBRA IMA's regulatory resources provide timely/urgent information on recent legislation, answer common questions and provide forms for COBRA, ADAAA, HIPAA, HIPAA Privacy, USERRA, FMLA, Medicare Part D and Section 125 plan administration. As a dedicated business partner, IMA takes significant pride in helping educate our clients about topics inside and outside of insurance. IMA will conduct an annual plan document review to ensure that your plans are meeting the requirements delineated by COBRA. As part of the annual renewal process, IMA will review all SPDs for accuracy alongside your legal counsel. Regarding vendor-related services that IMA will oversee such as COBRA administration IMA will assist with the management and oversee the RFP, marketing and implementation of those products and integration into the benefits program. Third-party COBRA vendors typically offer the initial notification, COBRA tracking, premium billing and remittance, as well as termination tracking. The payment for these services will be paid for by IMA.



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MERGERS & ACQUISITIONS EXPERTISE

The IMA benefits team has considerable experience assisting employers through challenges arising from mergers and acquisitions. It is a planned process that we have performed many times and includes checklists and standard reports. Our services include a thorough due diligence process in which we identify potential concerns (e.g., differences in design, provider networks, and/or contribution structures) and liabilities (e.g., runout claims, ERISA filings, COBRA responsibilities). The successful integration of buyer's and seller's plans requires a great deal of advanced planning, thorough review, and employee communications.

We have a private equity practice group that works on deals with our private equity clients. We have several private equity and venture capital clients that consider dozens of merger and acquisition targets yearly. Our final reports include insights into how the plans compare with benchmarks and identify areas of concern for plan integration for acquisitions. We work with the acquiring firm to plan the integration from both the employer and the employee perspective.

Once data is compiled, your team will assess suitability and structure in various areas: funding mechanism (self-funded or fully insured), plan comparison to current Cresa plans by geographic and salary differentiation, cost/budget impact, liability review, and compliance with necessary reporting (PPACA, PCORI, ERISA, etc.).

A compressive report will be prepared for delivery to Cresa's benefit team, executive team, and/or the acquisition team. Final presentation will include recommendations on benefit design compatibility, budget, and strategic and tactical next steps for integration into current plan structures.

To make the process as easy as possible, our team has developed checklists and processes that help us ensure that our clients thoughtfully consider all aspects of a benefit plan, and plan carefully to ensure successful transitions in the event a target company is purchased.

Once the acquisition is finalized, we go to the next step with Cresa to ensure that the employees being acquired are educated and integrated into your benefit plans. We assist with the educational materials, help manage the open enrollment, and can provide onsite meetings to help smooth the transition and support your staff. We also recommend that your stop-loss contract includes automatic integration of all acquisitions and credit for any deductibles and out-of-pocket maximums that the acquired firm's employees have already satisfied. This way, there is no question of your plan's ability to accommodate prior credit if you desire to do so.

STANDARD M&A DUE DILIGENCE SERVICES INCLUDE:

- + Complete review of the target acquisition's existing insurance program. The analysis includes an evaluation of the appropriateness of insurance coverage levels including liability limits and industry benchmarks for retentions or deductibles. We review the financial strength of the incumbent insurers and offer our perspective on future insurance industry trends that could impact rates or coverages for the target business.
- + Review of indemnity provisions or insurance requirement language found in all existing contracts for services held by the target business.
- + Provide synopsis of past claims, identifying any loss trends that may impact future insurance availability or rates, or that may indicate the need for alternative risk management practices or coverage enhancements. Any active claims are studied and analyzed for loss reserves and progress toward resolution and all potential costs associated with closing of the claim are quantified and reported.

MEDICAL DIRECTOR

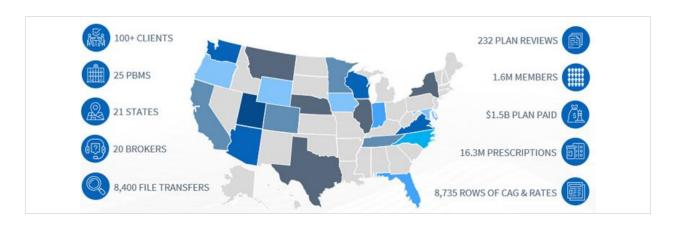
IMA engages a physician serving in a Medical Director capacity for our clients when the need arises. While this resource is national, IMA pays particular attention to caseload and workload to ensure the proper access for our teams. **Dr. Michael Cautusan**, MD is a board certified primary care specialist, and graduated from Holy Family College's Medical School.

His scope includes:

- + Establishing a goal to improve the management and delivery of health care services
- + Starting new initiatives and participate in the strategic implementation of solutions geared towards improving the results of the plan
- + Collect and analyze data to better understand the landscape of an organization
- + Provide expert guidance on best medical practices and technologies and innovations
- + Suggest quality improvement initiatives

PHARMACY CONSULTING

IMA provides an integrated solution in conjunction with an independent pharmacy consulting firm, Prism. This integration provides a wide array of pharmacy specific consulting services and analytics solutions to lower cost of care, improve care delivery, and enhance the quality of any given Plan Sponsor's pharmacy program. With pharmacy representing more than \$0.30 of every healthcare dollar, Prism aids each Client Partner by charting a tailored and strategic path to accomplishing their respective organizational goals and objectives.



IMA utilizes our in-house claims analytics system, IMA People Analytics, to identify significant cost drivers. This analytics solution combines insights from an internal clinical team with best-in-class analytic tools from Milliman, Clear Health, Truven (IBM Watson) and others. In addition, IMA has a team of consultants tasked with an ongoing evaluation of PBM partnerships, clinical and specialty management solutions and third-party pharmacy plan auditors to ensure that our clients have best in class vendor partners, contracts and client/member experience.

Additionally, IMA has several in-house pharmacy solutions to fully integrate with the needs of our clients and generate additional cost savings on their total Rx spend. Specialty Pharmacy Carveout programs have been largely successful regarding repricing of prescriptions and generating rebates for our clients. IMA's MAP program is another example of in-house pharmacy capabilities that have been widely adopted by our self-funded clients. Additional content can be found in the appendix and dedicated website attached to our RFP submission.

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A large component of IMA's proactive strategic planning approach to consulting is an analysis of cost drivers, including pharmacy spend, utilization, and medication adherence. These strategies can take many shapes, but IMA will always recommend solutions that fit within the overall benefit strategy.

For example, carriers can make several tweaks to a bundled, administrative-services-only contract where claims administration, pharmacy benefit management (PBM), and stop-loss all fall one under one umbrella. Including value-based formulary drug lists can incent members to use the most cost-effective medications with the best outcomes for patients. Additional pharmacy edits are also possible, such as requirements for step therapy for expensive medications, mandatory generics, or mandatory mail orders. In order to determine the feasibility of the solutions that may impact employees, a member disruption report would need to be requested and analyzed, and significant employee communications must be coordinated.

An alternative example would be an unbundled scenario, where claims administration, pharmacy, and stop-loss are independent of one another and would allow more flexibility for cost containment. When managed independently, plan price negotiations are possible. Items for negotiation would include average wholesale price, maximum allowable cost, dispensing fees, administrative fees, and manufacturer rebates. When manufacturer rebates are returned to the client, it provides maximum transparency into the pricing of the pharmacy plan. To determine the best terms for an unbundled PBM, we request that PBMs participating in the RFP re-price our client's most recent 12 months of claims to determine projected cost savings.

Finally, IMA works with several purchasing cooperatives and group purchasing organizations for prescription services and IMA continuously evaluates these collaboratives to ensure the best outcomes for individual client contracts.



CASE STUDY 1

Audit Results

IMA recently performed an audit for a healthcare employer with 2,000 employees and a \$24 million annual health plan spend. The prior year, the employer's broker recommended a change in third-party administrators (TPA) with the promise of \$1 million in claims savings due to provider network discounts. However, they had not been made aware that the new pharmacy contract the TPA was offering was not as strong as their current pharmacy contract.

Before IMA analyzed their claim spend, the employer didn't realize that their promised network discounts were being negated by an equivalent \$1 million increase to their pharmacy spend due to the less favorable pharmacy contract. With the client's new partnership with IMA, we were able to recommend a stand-alone pharmacy option through our exclusive pharmacy cooperative with far greater rebates and superior wholesale pricing that returned the \$1 million in savings the employer had been expecting.







CASE STUDY 2

PBM Analysis for Mind Springs Health in Colorado

IMA was recently hired to be the broker and consultant for Mind Springs Health, a Western Health Alliance (WHA) member in Colorado. IMA conducted a PBM review and projected they could save more than \$240,000 annually through a prescription benefit purchasing cooperative, without modifying benefits.

In addition, as part of the cooperative implementation process, IMA worked with Mind Springs Health and the cooperative to conduct a deep dive into their covered and excluded benefits, which had not been done in years. The cooperative was able to identify areas in which the list of covered medications was out of date. By updating the prescription drug coverage list, participants will be able to access some medications more readily, streamlining the process for employees and the HR team.

REPORTING

Please refer to the appendix for a sample claims report.

Population Health Data Analytics

IMA utilizes an in-house claims analytics system, **IMA People Analytics**, powered by Cedar Gate to guide clients in interpreting health and prescription drug data to understand the true cost drivers and risks of their health benefits plan, helping them make informed decisions about self-funded strategies.

IMA People Analytics utilizes a partnership with Cedar Gate analytics, which integrates insights from Cedar Gate's clinical team with best-in-class analytics tools from Milliman, Clear Health, Truven (IBM Watson), and others to assess care quality and clinical appropriateness, as well as project future costs. Using these insights, IMA utilizes partnerships with population health management and care management solutions to align problems with impactful cost saving solutions, and track outcomes to evaluate ROI.





Data Management & Reporting Capabilities

IMA believes in utilizing data to drive decisions and recommendations for our clients. Specifically, medical and pharmacy claims should be analyzed bilaterally from both a clinical and financial basis. Analyzing data on a clinical basis allows us to help Cresa understand risks inherent in your population and how long specific large claims might persist and impact stop-loss underwriting. Analyzing claims on a financial basis allows IMA to help you understand trends and develop strategy and allows Cresa to adjust the benefit plan to stay in front of risk and cost trends.

Listed below are sample key data sets of IMA's reporting packages available to Cresa. Due to the extreme length of the sample reports, we will be happy to provide them upon request.

Executive Summary

The Executive Summary provides an overview of plan activity and utilization. This robust solution can be easily configured to present a fixed number of standard reports detailing health plan utilization, trends, benchmarks and costs. The Executive Summary can present an overview for a brief period or annual plan information in one reporting function.

Claim Analysis Overview

Graphic summary of claim expenditures, network discounts and employee responsibility.

Normative Comparison Summary

Summary-level view of enrollment, cost and utilization information.

Utilization Benchmark Summary

Comparison of utilization patterns between plan and selected national normative values.

Shock Claim Summary

Review high-claims members and the costs incurred.

Monthly Cost Summary

Per-month summary of claim expenditures, network discounts and employee responsibility.

Detailed Analysis Applications

Allow drill-down from plan level to individual EOBs.

- + Payee Analyze and drill-down to specific claim information for payees used by members of your plan during a time specific timeframe.
- + **Provider** Analyze and drill-down to specific claim information for healthcare providers used by members of your plan during a time specific timeframe.
- + Diagnosis Analyze and drill-down to specified claim information for diagnoses of conditions experienced by members of your plan during a specific timeframe.
- + Procedure Analyze and drill-down to specified claim information for procedures performed for members of your plan during a time specific timeframe.
- + **Prescription** Analyze and drill-down to specified claim information related to prescription drug costs for members of your plan during a time specific timeframe.
- + Payment Analyze and drill-down to create a list of individual claim payment details for a specified timeframe.

Dental Summary

View service categories associated with your dental costs.

Cost Distribution Summary

Number of members incurring 10%, 20%, 50% and 80% of the plan's claims.

Type of Service Overview

Overview of utilization costs by major types of service.

Plan Experience Summary

Eligibility and plan cost summary on a per-month basis.

Rank Order Analysis

Create a summary of top Payees, Providers, Diagnoses, Procedures, Drugs, PPO or Benefit Code sorted by services and/or amounts.

Health Service Analysis

Review cost and utilization information associated with groups of services performed for plan members during a specific timeframe.

Lag Matrix Generator

Create a paid versus incurred lag matrix for specific time periods.

Turn Around Time

Display claim counts, charges and payments associated with different payment turnaround periods.

Large Claim Trend Analysis

- + Trend analysis of large claimants comparing two timeframes.
- + Trend analysis of benefits utilization across major diagnostic categories.

Medical Cost Dist (Diagnosis)

Trend analysis of benefits utilization across individual diagnoses.

IBNR Estimate

Create an estimate of claims dollars incurred but not yet received based on a weighted average of historical experience.

Provider Cost Comparison

Compare charges and payments for specified procedures and/or providers.

Prescription Drug Summary

Prescription costs and dispensing information.

Key Utilization Indicators

Summary-level trend analysis of employee census and benefits utilization.

Stop-Loss Trigger Report (One Line per Member)

Abbreviated trigger diagnosis listing containing one line per applicable member during a specific timeframe.

Cost by Age Group

Review which age groups are incurring costs Cost Summary by Employee Per-employee/member breakdown of claim costs.

Shock Claim Detail

Detailed cost and procedure information for high-claims members and the costs incurred.

Preventable Conditions

Displays conditions that might be prevented by behavior changes, and the group's cost associated with those conditions.

Stop-Loss Trigger Report

Provide diagnosis and procedure information for select key diagnoses.

Eligibility Overview

Provides a concise view of eligibility information.

Eligibility by Tier

Eligibility counts based on enrollment tier.

Flexible and Eligibility Claim Data Query

Review plan's healthcare experience database for information related to costs or utilization. Specify a time period along with other data filtering criteria when using the query.

Prescription Utilization Summary

Review prescription types, top 10 drugs by class and name for a specific timeframe.

Prescription Analysis

Analyze and drill-down to specified claim information related to prescription drug costs.

Predictive Modeling

IMA also utilizes predictive modeling tools to develop, assess and quantify plan design changes and population impacts. The power of IMA Analytics lies within its integration of information from Cedar Gate and the Johns Hopkins Adjusted Clinical Groups® (ACG®) data and Healthcare Effectiveness Data and Information Set (HEDIS®) quality care measures. The IMA Analytics system can store multiple years of historic data which allows IMA and Cresa to analyze any timeframe in addition to providing multi-year comparative analysis capabilities to assess risk and predict future plan and individual health costs.



BENCHMARKING

While we work with each client to create a client specific strategic plan, we understand the value of thoroughly reviewing and utilizing various benchmarking metrics. Timely and germane benchmarks can help clients make more informed decisions on plan set-up and structure, plan designs, benefits to be offered, and guide their strategic planning. We also believe it can be valuable in supporting decisions previously made by plan managers, demonstrating the value and performance of the benefits program to leadership and employees alike, and aiding in the recruitment of new employees.

IMA provides custom benchmarking for employer groups that will provide consistent year-to-year data, reporting formats and comparative benchmarks. This highly meaningful yet understandable information enables us to work together with your data in a continuous, interactive manner as plan management issues arise. IMA will make available to Cresa benchmark data from all leading consulting organizations and resources available locally and nationally. Contrast this with national brokers who are required to only utilize certain sources regardless of group size and location.

The following are our most common sources, but we can modify our benchmarking to use any sources that Cresa would require:

- + Mercer Benchmarking Data
- + MSEC Benchmarking Data
- + Kaiser Benchmarking Data

- + Segal Benchmarking Data
- + Bureau of Labor and Statistics
- + MedStat

Even in a hiring downturn, we understand that technology employers are in increasingly intense competition with other employers for talent, so we make sure to include varying levels and types of comparisons. In addition to these large national studies, the IMA team uses more targeted resources with a focus on technology entities. These include **localized resources** as well as **our own technology sector book of business**. Utilizing various layers of benchmarking – national, regional, book of business and industry specific – allows for us to be intentional in providing actionable metrics to clients targeted at the specific task at hand. Benchmarks are not only important in plan design decisions, they can be utilized effectively in measuring plan performance, key performance indicators and understanding emerging trends and innovations.

Access to this statistical information assists IMA in forwarding quantifiable data to you about local and national trends as they may relate to overall health care information.

We've listed a few of these studies below:

- + Health Insurance Premium Increases Overall Employee Contribution for Individual Medical Coverage
- + Employee Plan Enrollment by Region
- + Medical Plan Average Premium by Industry
- + Benefit Cost as a Percent of Compensation

- + Benefit Cost as a Percent of Payroll
- + Health Coverage Variations by Industry and Size
- + Hospital and Surgical Coverage by Industry
- + Length of Hospital Stay by Plan Type
- + Percentage of Firms Offering HMO by Region

Further, by utilizing IMA People Analytics powered by Cedar Gate our team can create customized benchmarking that is both insightful and actionable.

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CUSTOMIZED BENCHMARKING

Benchmarking is a critical element of benefits data analytics. Comparing a client's plan performance, benefit utilization and cost metrics against industry standards helps our analysts identify high-cost areas of a client's plan.

IMA utilizes an in-house tool, IMA People Analytics, powered by Cedar Gate, to obtain over 1,000 benchmarking metrics from over four million members, with the ability to isolate by certain industries. We also purchase, collect and cross reference current, reputable healthcare industry surveys. Client service teams use this information to evaluate Cresa's plan performance, comparing, for example, utilization, cost per service, claims costs, demographic and other data points to identify and understand abnormalities compared to peer populations. This, in turn, generates insights that can guide population health management programs and cost management solutions.

It's important to understand that industry-based benchmarks can produce helpful information, but they shouldn't be relied on alone. This data should be reviewed in conjunction with customized benchmarking, peer benchmarking and even national benchmarking to provide more complete insight.

IMA People Analytics provides customized benchmarking, allowing clients to think beyond standard industry benchmarks to analyze costs and develop tailored strategies to manage cost and impact population health.

- + Nationwide benchmarks: Overall trends, survey data
- + Industry benchmarks: Demographic trends, survey data, claims data when your own data isn't credible
- + **Peer benchmarks:** Benefit offerings, recruiting, competitiveness
- + **Customized benchmarks:** Claims data and utilization, detailed analysis

This allows Cresa to compare costs to benchmarks customized to demographics and risk profile to understand savings potential, evaluate adherence to healthcare best practices and review savings for avoidable ER and inpatient stays, through place of service changes.

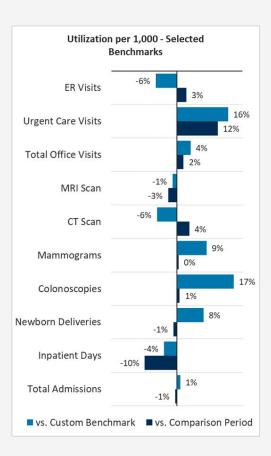
While industry-based benchmarks produce usable benchmarks, they often have several drawbacks, including having a smaller sample size and reflecting populations and situations which are dissimilar from a client's specific situations. Our methodology for developing customized benchmarking incorporates millions of member lives while controlling for significant cost drivers to reflect a client's exact characteristics.

Using these benchmarks, we can understand detailed outcomes produced by a client's plan, to drive a course of action for improving care and benefit delivery.

Utilization: High Bariatric Surgery Costs

- + **Problem:** When comparing bariatric surgery costs to customized benchmarks, abnormally high bariatric surgery costs were identified
- + **Solution:** Interface with TPA and cost containment partners to implement plan design changes and more stringent preutilization review processes
- + **Outcome:** Saved \$500,000 on avoided unnecessary bariatric surgery (over 1% of plan costs)

| | Member | Vs Benchmark | | | |
|-------------------|-----------------|----------------------|------|-----------------------|--------------------|
| Chronic Condition | count (Rank) | Members Per 1,000 | PMPY | ER Visits Per 1000 | Admits Per 1000 |
| Hypertension | 1 | +9% | -53% | -49% | -50% |
| Cancer | 8 | -14% | -8% | +21% | -21% |
| Diabetes | 3 | -5% | -8% | -6% | -38% |
| Hyperlipidemia | 2 | -7% | -23% | -28% | -29% |
| Blood Disorders | 6 | -10% | -26% | -33% | -11% |
| Osteoarthritis | 5 | +2% | -54% | -39% | -7% |
| Depression | 4 | +37% | -36% | +5% | -19% |





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STOP-LOSS

It is our duty to negotiate the most favorable rates and contract terms for our clients. We do this from a position of strength as we work with you to firm up our bargaining position during our pre-renewal process. We review your experience each month and share with you our observations about how your plan is performing, so that you are aware of your expenses compared to the budget. We use historical data and standard actuarial methodologies to create our projection of your future costs, and our educated estimate of your administrative and stop-loss renewals. This is the same methodology that your carriers use when determining your future costs, which aids our negotiation, as we are usually on the same page.

We also have many years of experience and significant market clout based on our volume of business and strong carrier relationships. We leverage this for the benefit of our clients by being tough, but fair, in our negotiations. We have a stellar reputation in the marketplace, which works for us when negotiating on your behalf. For our self-funded clients, we focus on the cost of the plan administration, the services being purchased (are they being used, are they valuable), and both the cost of insurance and contract terms.

With stop-loss insurance, the lowest cost is not necessarily best as we review contract terms that could save you future liability in the form of lasered claims or large renewals due to a high claims year that exceeded your individual stop-loss level. A lasered claim is one that has a contractual higher individual stop-loss level because the stop-loss carrier believes that the claim is going to be large. An example of this is a client with a \$150,000 individual stop-loss level where the renewal offer required a laser for a lung transplant (estimated to cost \$800,000) of \$650,000, meaning that the client would take on an additional \$500,000 for this one claimant. We recommend a "no laser" contract, whereby the stop-loss carrier cannot include lasers in their renewal offer. That gives the client the flexibility to request a laser rather than be required to have one.





Following are some examples of client renewal negotiations:

CASE STUDY 1

Vendor Negotiations

We work with a Seattle-based company with 500 employees in Seattle, Lynnwood, and Spokane. They have been fully insured with Premera for medical, pharmacy, vision, and dental for many years, and we have been successful in using historical data and our knowledge of market conditions to negotiate favorable renewals, even during years of high claim use. We have access to their claims data and underlying cost factors and have used this information to either reduce the fixed costs (administration or pooling costs) or impact Premera's trend factors.

Following is the history of our negotiations on behalf of this client:

- + Year one: Premera requested -0.4%, negotiated to -5.5% due to network change
- + Year two: Premera requested +15%, negotiated to +8.9%
- + Year three: Premera requested +1.1%, negotiated tot 0%
- + Year four: Premera requested +18%, negotiated to +9.5%

The client's average increase over five years is just over 4% per year, compared with the current community average trend for medical/prescription combined of 9.2%. None of the reductions were based on benefit modifications, except in year four when they changed their network.

CASE STUDY 2

Stop-Loss Negotiations

Our client has had five years in a row with low utilization of their individual stop-loss insurance. Each year we have negotiated a no change renewal, and in two years, we have negotiated a rate reduction. Then they had a high claim year where their stop-loss claims exceeded premiums at a rate of 225%. This was the first time in many years, but the renewal offer was an increase of 40%. Because of their historically good experience, and our knowledge of their future risk, we argued that this year was an anomaly and were able to negotiate the renewal down to an increase of 18%.

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a. Describe standard reporting you will provide, including data reported, report timing.

IMA believes in utilizing data to drive decisions and recommendations for our clients. Specifically, medical and pharmacy claims should be analyzed bilaterally from both a clinical and financial basis. Analyzing data on a clinical basis allows us to help the Cresa understand risks inherent in your population and how long specific large claims might persist and impact stop-loss underwriting. Analyzing claims on a financial basis allows IMA to help you understand trends and develop strategy and allows the Cresa to adjust the benefit plan to stay in front of risk and cost trends. Listed below are sample key data sets of IMA's reporting packages available Cresa.

IMA's Financial Analyst team and in-house actuary can assist clients with the following:

- + Cost projections
- + Trend forecasts
- + Claims and utilization reporting
- + Benefit design and cost modeling
- + Contribution strategies

UNDERWRITING AND ACTUARIAL RESOURCES

Our financial consulting team uses standard actuarial models and practices and has all the tools and capabilities to perform cost forecasting, benefit design costing, and reserve calculations. These are done using actuarially developed tools with a proven track record for accuracy.

We believe that our benefits analysts' work provides the breadth and depth of financial services our If the services of a licensed actuary are required, we have an actuary in-house.

Each month, we provide reporting of plan performance compared with your budgets and maximum liability, including large claim and stoploss activity. In addition to the monthly reporting, we perform a complete and methodical annual review of underlying cost drivers and review potential cost management solutions based on your participants' own data.

The quarterly and annual report above will provide further details of your benefits plans and include our expert analysis on areas of concern or opportunities. Our financial team will be responsible for all cost projections, health cost benefits modeling, employee contribution strategies, IBNR analysis, trend forecasting, large claim and stoploss analysis, and utilization reporting. We will make recommendations for funding levels, fully insured equivalent premium rates, COBRA rates, and plan reserves. For our prerenewal projections, we will do an estimate of administrative and stoploss expenses, but for the final renewal projection, we use the actual administrative fees and stoploss premiums.

As part of the strategic planning process, we will examine how your employee contribution structure supports your overall program goals, as well as employee recruiting, retention, and the culture of your organization. We may suggest alternative employee contribution options as a tool to advance your initiatives.

A summary of our standard transactional reports for self-funded plans are noted below. Each report will be customized to include the data you wish to see. Reports can be produced more or less frequently, as you wish.

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FREQUENCY OF REPORTING

- Monthly status report eligibility by plan, claims breakout by type of claim, prescription analysis, large claims, summary of other plan costs, actual vs. expected health claim budget projections, employee contribution modeling
- + Quarterly report incurred but Not Reported (IBNR) claim calculations
- + Annual plan report year-over-year plan cost summary, experience summary against budgets, plan trend analysis, large claim analysis, demographic analysis, wellness and disease management analysis, risk stratification, ancillary benefit data summary, PPO savings summary
- + Annual medical plan cost driver analysis, including utilization benchmarking (may include multi-year comparisons)
- + Annual prescription plan analysis (may include multi-year comparisons)
- + Funding projection reports
- + Reserve calculations
- + Plan design analysis reports, if plan changes are suggested
- + Employee contribution analysis
- + Utilization/Key Performance Indicators (KPIS)

Listed below are additional key data sets of IMA's Informatics available to our clients:

- + Executive Summary
- + Claim Analysis Overview
- + Normative Comparison Summary
- + Utilization Benchmark Summary
- + High Cost/Shock Claim Summary
- + Monthly Cost Summary
- + Cost Distribution Summary
- + Type of Service Overview

- + Plan Experience Summary
- + Rank Order Analysis
- + Detailed Analysis Applications Allow drill ☐down from plan level to individual EOBs
- + Health Service Analysis
- + Lag Matrix Generator
- + Provider Cost Comparison
- + Flexible and Eligibility Claim Data Query

IMA PEOPLE ANALYTICS (POWERED BY CEDAR GATE)

After the end of each plan year, we will do a deep dive into your claims data to determine how your employees and their families used healthcare compared to norms. The main tool we use to provide this in-depth review and analysis is IMA People Analytics (powered by Cedar Gate). Using IMA People Analytics, we provide our self-insured clients an annual report that compares your paid medical and pharmacy claims to industry benchmarks and norms. It has extensive drill-down capabilities that allow us to dig deep into cost drivers, provider utilization and discounts, top diagnosis, chronic disease, lifestyle claims, care gaps, and more. IMA People Analytics helps us detect issues with medical and prescription drug utilization, isolate the root causes of utilization problems, and create targeted solutions based on what we discover.





What Can IMA People Analytics do for Cresa?

- + Benchmark health and prescription drug plan utilization data against national and regional norms of similar employers.
- + Uncover the root causes of rising medical and prescription drug costs.
- + Discover how the plan is being under- and overutilized in specific areas.
- + Review provider treatment patterns and how Cresa's claims may compare with other providers utilized by employees and their families.
- + Track the progression, cost, and treatment of chronic diseases.
- + Support the need for wellness initiatives and disease support programs to slow or stop the progression of chronic disease.
- + Project health costs for high-cost claimants.

- + Offer plan design modeling tools, or "what if" analyses that can help you understand the full impact of any benefit change before making any decisions.
- + Provide complex information in an easy-touse and easy-to-understand format, including IMA's analysis, recommendations, and data drill downs.
- + Help Cresa make effective decisions based on accurate data.
- + Offer educational and employee communication materials that correspond to areas of cost or utilization concern.
- + Provide independent data reporting and analysis regardless of the claims administrator used. This is particularly important if you change claims administrators.



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PRESCRIPTION DRUG REPORTING

In this report, you'll find a high level of detail about prescription drug plan costs and real-life usage, compared to benchmarks. This can help Cresa assess whether your costs are appropriate, and if your plan management strategies are working. There are clear, professional exhibits on topics of key interest:

- + Total number of prescriptions paid by the plan on a per member per month basis compared to the benchmark
- + The portion of prescription costs plan members pay compared to the benchmark
- + Utilization and cost of generic prescriptions compared to the benchmark
- + Average amount paid per prescription for brand and generic drugs
- + Utilization of formulary vs. non-formulary prescriptions
- + High-cost claimants in descending order by plan cost

AD HOC ANALYSIS

Through IMA People Analytics, we are also able to perform ad hoc analyses to drill deeper into Cresa's data to find root causes of problem areas. Using this feature, we can answer nearly any question about medical and prescription claims experience, including:

- + Why are my office visits so high? Who's going to the doctor? Why are they going? Are they using innetwork or out-of-network providers?
- + Why are my plan members using the emergency room so frequently? Who's using the ER the most employees, spouses, or dependents? What day of the week are they visiting the ER? Is there a pattern? Is urgent care available for employees and their families? Are the diagnoses appropriate for ER usage? Are my employees using the ER instead of a primary care doctor because they don't have a doctor?
- + What does our experience tell us about disease management and intervention opportunities?
- + What types of wellness activities or educational materials should our employee communication campaigns focus on?
- + What types of therapeutic drug classes are driving the prescription drug utilization? Are there issues with over-prescribed medications?
- + Are plan members utilizing brand drugs when they could be choosing generics?

We use this information to look for strategic opportunities to refine your benefits programs and develop solutions for Cresa.



ALTERNATIVE MODELING FEATURE

The IMA People Analytics claims analysis process is designed to help Cresa save benefit dollars by making plan design decisions that are based on observable claims experience. You should expect that any plan design changes Cresa makes will have a desirable financial outcome. Our goal is to clearly present plan savings projections in a realistic format, based on actual claims experience, and the IMA People Analytics alternative modeling feature lets us do just that.

Once we isolate problem areas using ad hoc analysis, alternative modeling lets us focus on solutions. The IMA People Analytics modeling feature lets us experiment with plan design alternatives and see if plan changes can save Cresa money. The advanced modeling capabilities even show how plan members would be affected by a particular plan change, so you can balance cost with value.

IMA People Analytics allows us to model your plan based on a variety of plan elements, including innetwork and out-of-network claims for:

- + Calendar year deductibles
- + Coinsurance
- + Out-of-pocket maximums
- + Office visit copay specialist and primary
- + Inpatient and outpatient hospital copay
- + Inpatient and outpatient surgery copay

- + Urgent care copays
- + Wellness maximums
- + Prescription drug benefits
- + Emergency room copay
- + And many more variables

DISEASE PROFILER

The disease profiler will allow Cresa to predict the expected costs of catastrophic claims with a higher degree of accuracy than ever before. This feature can help you manage risk and narrow the probability of expected outcomes, which is critical to ensure the health plan's continued profitability. By segmenting data to spot prevalence of disease, utilization, cost, or regional benchmarks, Cresa knows what to expect of your population.

OTHER REPORTS

When discussing cost containment features, we will outline the objective, cost or savings, administrative complexities, and the expected impact on participants (including both cost and participant satisfaction implications). Rising costs and patient care quality continue to be on the minds of our clients as they wish to provide strong benefits to their employees. While healthcare cost trend (inflation) has come down, it continues to increase faster than the consumer price index for all other goods and services. We have worked with our clients to do as much as possible to help them provide stable benefits while being creative to manage cost.

DATA ANALYSIS

IMA People Analytics guides clients when interpreting health and prescription drug data so they can identify significant cost drivers. This analytics solution combines insights from their own clinical team with best-in-class analytic tools from Milliman, Clear Health, Truven (IBM Watson) and others to assess care quality and clinical appropriateness as well as project future costs.

With the benefit of these insights, we work with health experts in cost and care to not only identify cost containment solutions, but also track outcomes and evaluate ROI. The IMA People Analytics data warehouse holds multiple years of data that enables claim and utilization analysis for many different timeframes.

Our clients have access to the online portal to this system so we can work together to evaluate and manage risks, identify savings opportunities, and implement solutions aligned with the client's specific situation.

STOPLOSS ANALYSIS

IMA will perform an assessment of Cresa's stoploss contracts and pricing to ensure that the appropriate and desired levels of protection are provided at a competitive price. Our service team has considerable stoploss experience and strong understanding of the markets to ensure that your stoploss provides the appropriate cash flow protection without surprises.

IMA will provide Cresa with a monthly large claim listing and identify claimants who have reached a specified percentage of the plans stoploss amount.



b. Describe assistance you provide to assist clients in meeting annual reporting deadlines, including Form 5500.

As part of the core scope of services proposed for Cresa, IMA will provide the following:

ANNUAL IRS FORM 5500 PREPARATION

Signature-ready IRS Form 5500(s). The following services are included in IMA's Form 5500 Services: Form 5500 preparation and reporting assistance for all types of employee benefit plans; Extension preparation (Form 5558); signature-ready Form 5500s and all related attachments for pension plans and health and welfare plans (except audited financial statements); Compliance with the Department of Labor's mandatory electronic filing system.

ACA ANNUAL REPORTING

IMA's Compliance Practice publishes short educational videos on how to complete the annual ACA reporting with examples of what your forms should look like. Your IMA service team can help ensure that your payroll provider provides you the information necessary to populate Part III of your 1095-C forms. While our videos and examples should help you feel confident that you can audit your forms as completed by your third-party reporting vendor, IMA's Compliance Practice lead, KC Rippstein, will review forms to ensure compliance. Preferred partner vendors are also available to handle reporting. Cost is negotiated and paid directly by employer.

COBRA

IMA's regulatory resources provide timely/urgent information on recent legislation, answer common questions and provide forms for COBRA, ADAAA, HIPAA, HIPAA Privacy, USERRA, FMLA, Medicare Part D and Section 125 plan administration. As a dedicated business partner, IMA takes significant pride in helping educate our clients about topics inside and outside of insurance. IMA will conduct an annual plan document review to ensure that your plans are meeting the requirements delineated by COBRA. As part of the annual renewal process, IMA will review all SPDs for accuracy alongside your legal counsel. Regarding vendor-related services that IMA will oversee such as COBRA administration IMA will assist with the management and oversee the RFP, marketing and implementation of those products and integration into the benefits program. Third-party COBRA vendors typically offer the initial notification, COBRA tracking, premium billing and remittance, as well as termination tracking. The payment for these services will be paid for by IMA.

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c. Describe your firm's services regarding ensuring Cresa's programs comply with federal, state and local regulations.

GOVERNANCE & COMPLIANCE

Our Governance and Compliance Practice consists of licensed legal practitioners along with contract specialists. Attorney, **Craig Truitt**, and Compliance Practice Lead, **KC Rippstein**, handle employee benefits compliance needs for our clients on a national basis. Locally, Cresa would have direct access to IMA's inhouse VP of Compliance, **Michelle Cammayo**, for any compliance needs or questions. Michelle and her team support the compliance services below, interacting with our clients on a regular basis.

As an IMA client, Cresa will also have access to our Mineral consulting platform (formerly ThinkHR) as an additional compliance resource. IMA also maintains partnerships with several law firms for counsel on specific ERISA and labor issues that may arise in the management of our clients' employee benefit plans.

IMA will perform a comprehensive compliance review led by Michelle on behalf of Cresa. This review serves as the baseline for assessment of Cresa compliance with federal, state and local benefits regulations and will be repeated at a minimum of every three years or when significant regulatory changes occur.

In addition, IMA releases legislative updates and briefs via blog, email alerts, and webinars, which outline new benefit regulations and/or clarify regulations that have been previously passed throughout the year. The compliance team will partner with the Client Manager and Broker Consultant to bring attention to any legislation that would impact Cresa specifically. In addition to a description of new laws or changes, we will advise Cresa on how to modify administrative procedures to ensure compliance.

IMA recognizes the greater prevalence and impact of state and local regulations on our clients and thus the team will review state and local regulatory changes that may impact Cresa annually at the Strategy and Trends Meeting as well as real-time throughout the year.

IMA CLIENT EXPERIENCE

Throughout the COVID-19 pandemic IMA's compliance team has worked diligently to release informative legislative updates in a timely manner to ensure that clients and internal teams had, and continue to have, the ability to respond to the latest regulatory changes and communicate effectively the relevant details. Early in the pandemic, IMA's compliance teams worked through a full benefit program coverage assessment and employee communication plan with each client to ensure there were no gaps in coverage while employees increasingly were unable to work and plan requirements were changing at both the federal and state/local level.

COMPLIANCE SERVICES

- + Compliance review/audit
- + Compliance calendar and/or dashboard, as needed
- + COBRA Admin through 3rd party vendor
- + Form 5500 collection and filing
- + SPDs and HIPAA documents
- + ACA Consultation and guidance on IRS letters
- + Consultation on non-discrimination testing
- + Consultation on wellness program compliance
- + Compliance practice actively monitors all Federal and state-by-state regulations affecting ERISA and non-ERISA governed plans, including the Patient Protection and Affordable Care Act (PPACA), and currently, pandemic-related regulations such as FFCRA and the CARES act. Together we focus on identifying innovative options, as well as how to effectively communicate and manage the impact of compliance.
- + Provide regulatory resources and information on recent legislation, answer common questions, and provide forms for COBRA, ADAAA, USERRA, FMLA, Medicare Part D and Section 125 plan administration.

IMA's Compliance Practice will work closely with your team to provide robust support touching all aspects of Cresa program.

ABSENCE CONSULTING SERVICES

- + The paid leave landscape has evolved significantly in recent years, with numerous states and localities implementing new or expanded requirements for a variety of leaves. As a result, multi-state employers are faced with a patchwork of complex and often overlapping leave laws. Keeping track of these developments can be overwhelming, so IMA's Absence and HR Consulting Practice monitors them for clients and translates them into succinct and practical advice, which includes:
 - Compliance Alerts and Bulletins summarizing recent or upcoming legislative developments
 - Educational seminars and webinars discussing compliance hot topics
 - Compliance checklists, templates and other valuable tools and resources
- + Additionally, IMA's Absence and HR Consulting Practice helps employers navigate these challenges by developing a comprehensive set of leave policies to simplify administration, mitigate risk, and improve the employee experience. Our team can provide recommendations on existing leave offerings, plan design, and vendor support options to align with your company goals and drive recruitment and retention. We will also review your benefit plan eligibility language to ensure consistency with your company leave policies. Finally, we will help create a plan for implementation and develop employee communications to streamline the rollout of the program.

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d. Describe your insurance compliance resources, including with respect to ACA and reporting, COBRA, HIPAA, FMLA, IRC Section 125, Medicare Part D, employment laws.

IMA's Compliance Practice will work closely with your team to provide robust support touching all aspects of Cresa. In addition, we partner with several outside firms for specialized needs as they arise and as a result, our clients enjoy the opportunity to contact us directly- access typically unseen when it comes to compliance resources.

IMA's regulatory resources provide timely information on recent legislation, answer common questions and provide forms for COBRA, ADAAA, HIPAA, HIPAA Privacy, USERRA, FMLA, Medicare Part D and Section 125 plan administration. As a dedicated business partner, IMA takes significant pride in helping educate our clients about topics inside and outside of insurance.

To meet regulatory and legislative demands, IMA provides a full suite of compliance advisory services, including performing compliance reviews with each client and providing general and targeted communications, educational bulletins, webinar sessions and analytics tools.

As part of Cresa onboarding, time will be scheduled to perform a full compliance review to identify short and long-term needs and objectives around compliance. IMA will prepare legislative updates that outline new benefit regulations and/or clarify regulations that have been previously passed. In addition to a description of new laws or changes, IMA advises clients on how to modify administrative procedures to ensure compliance.

Of course, we can't predict what the law will be like in the years to come, but we can prognosticate a little, or at least convey how our expertise enables us to be ready to advise our clients as we anticipate change. COVID/Supreme Court Rulings/the ACA are good examples. These are instances where IMA's compliance team serves employers much better than our competitors. Although, it's difficult to predict what compliance issues may arise, at least our employers can rest assured that we will be there for them when they need it. For example, we rolled out a weekly webinar when COVID first began so that our audience/employers could hear practical discussions on the new laws as well as have an opportunity to ask their own specific questions. That's very different from other firms because other compliance departments tend to only want to quote citations or send regulations as they are written. They are hesitant to share informal comments or provide true guidance because attorneys are conservative by nature.

Another example of how we are in the best position to help when compliance issues arise is that we provide all the educational opportunities an employer would want to know all they need to know about benefits compliance. However, we don't just send information into cyberspace and hope our clients read an alert or attend a webinar. Our teams will proactively connect with clients on any compliance topic that is specific to their organizations.

We understand that employers want to have conversations around complex compliance topics (which are almost all of them) and we catered our department to provide that high touch service. Other larger brokerage firms both PE-backed and publicly traded are used to working with employers that have their own counsel on staff as well as a plethora of HR teammates. This is what their compliance is built around.

However, we have clients who call us every week just to confirm that they are interpreting language correctly. We always make ourselves available to ensure our clients are comfortable with the decision they've made around tough issues.

To meet regulatory and legislative demands, IMA provides a suite of compliance advisory services:



ACA Reporting

Basic support and resources provided through IMA specific to employer situation. Preferred partner vendors are available for actual reporting. Cost is negotiated and paid directly by employer.



Compliance Checklist

IMA's "Health & Welfare Benefits Compliance Checklist" is structured to provide a detailed narrative identifying the specific requirement, what action(s) is needed, timing requirements, penalties for non-compliance and practical comments.



Plan Document Review

IMA will conduct an annual plan document review to ensure that your plans are meeting the requirements delineated by COBRA, HIPAA, ADA and other statutes where applicable. As part of the annual renewal process, IMA will review all SPDs for accuracy alongside your legal counsel.



Disclosure Notices Compliance Guide

Our Disclosure Notices Compliance Guide is designed to provide HR staff members a checklist of notice requirements with interactive functionality. By simply clicking on a specific notice requirement, the user can access an in-depth outline of the purpose of the notice, responsible party, where the notice belongs, intended recipient, delivery rules, record keeping requirements, penalties for noncompliance and a link to the specific regulatory department's model language.



Alerts & Bulletins

IMA bulletins, alerts and legislative briefs are delivered to clients via email, typically one or two times per quarter, or as necessary. The objective of these communications is to keep our clients informed in a timely manner of any new developments or tools related to employee benefits and compliance news.



IMA University

IMA hosts at least three in-person educational events, called IMA Universities, in each of our markets annually. These events provide our clients with the opportunity to learn about a variety of topics relating to insurance and employee benefits. Each session is facilitated by an expert in the field. Recent topics have focused on Data Privacy/Cyber Risk Exposure, Health Care Reform, Annual Economic Forecast, Employee Integrity Testing, People-Powered Safety Leadership and Crisis Preparation.



Compliance Webinars

IMA Webinars are held on an as-needed basis. Recent topics have focused on IRS Final HCR Reporting Overview, Individual and Employer Mandate and Penalties, Wellness after EEOC v. AARP, HSAs, HIPAA and 2023 Provisions and Preparations.

IMA maintains memberships in both local and national chapters of industry associations, keeping us apprised of state and federal updates.

IMA also stays abreast of the latest developments through its own research, training from our internal Vice President of Compliance, and through its corporate memberships in Assurex Global, The International Foundation of Employee Benefit Plans, The Self-Insurance Institute of America and The Employers Council on Flexible Compensation, as well as our internal Governance and Compliance practice. Based on our clients' location(s) outside California, we would partner with our local Assurex partners carrier representatives in those states for local insurance market insights and any local support needed.

IMA communicates news of changes to clients in a variety of ways. The most pressing items of importance to the client will be discussed in meetings or phone calls with the client's account team. IMA also sends email alerts to clients about important new developments directly from our in-house Compliance team. In addition to our email alerts, we host monthly webinars and quarterly in person seminars.

IMA's Governance and Compliance team actively monitors all federal and state-by-state regulations, including the Patient Protection and Affordable Care Act (PPACA). Together, we focus on identifying innovative options, as well as how to effectively communicate and manage the impact of Health Care Reform.

Our work is realized in preparation of compliance documents and briefs which outline new benefit regulations and/or clarify regulations that have been previously passed. In addition to a description of new laws or changes, we advise clients on how to modify administrative procedures to ensure compliance. IMA's regulatory resources provide information on recent legislation, answer common questions, and provide forms for COBRA, ADAAA, HIPAA, HIPAA Privacy, USERRA, FMLA, Medicare Part D, and Section 125 plan administration.

Leading sources of information for governance and compliance include:

- + ThomsonReuters/Employee Benefit Institute of America
- + Council of Insurance Agents and Brokers
- + National Association of Health Underwriters
- + State Associations of Health Underwriters
- + Steptoe & Johnson
- + The Phia Group

Financial guidance is ineffective unless it is based on a foundation of expertise in understanding the impact and implications of the various components of a very complex and ever-changing body of legislation. IMA has assembled a host of HR, compliance and employment law experts who provide continuing analysis of the ever-changing requirements imposed on employers. With this understanding on our part, we then thoroughly assess your current population and its participation in plan offerings to then determine the financial impact the legislation will impose.

The laws are always changing, and it is difficult for most organizations to stay in compliance. Unfortunately, the fees and risk associated with non-compliance can be devastating. At IMA, we help to ensure that all of our clients are in compliance with employee benefits-related and other HR laws.

Below is a small sampling of our in-house compliance health and welfare services:

- + Regulatory Compliance conduct annual Compliance Audit and offer assistance in the interpretation of government laws and regulations promulgated by federal and state agencies. Ongoing education and training and preparation of WRAP documents as needed
- + Preparing Annual Form 5500 and Summary Annual Reports
- + Preparing summary plan descriptions (SPDs), plan documents and advising on compliant methods of distribution
- + Assistance with PCORI fee process
- + Drafting of business associate agreements
- + Conducting nondiscrimination testing
- + Assisting clients in preparing HIPAA policies and procedures
- + Providing legally required notices
- + Reminding clients of deadlines, such as the annual disclosure to CMS regarding creditable coverage
- + Reviewing benefits and leave language in handbooks
- + Advising on establishing measurement, administrative and stability periods
- + Advising clients regarding the data needed to satisfy reporting requirements under the ACA

Our compliance team provides a comprehensive, onsite review to ensure you are providing all mandatory disclosures and notifications to your employees at the required frequency. Our compliance team will also review your SPD and plan documents to ensure sufficient information is being provided per DOL and ERISA regulations. Some of our services include discrimination testing, 5500s, Section 125, COBRA, HIPAA, Medicare, FMLA and other regulatory requirements.

Compliance Audit – IMA will conduct an annual compliance audit. This includes a review of all communications with employees and contracts with insurance carriers and other vendors to ensure that they meet current requirements. The review will also include reviewing HIPAA procedures and administrative files and procedures to make sure that our clients are safe from potential audit fines.

Compliance Calendar – IMA will create a Compliance Calendar that shows each activity required during the year and when it must be completed.

e. Describe your insurance compliance resources, including with respect to ACA and reporting, COBRA, HIPAA, FMLA, IRC Section 125, Medicare Part D, employment laws.

Financial protection of our firm is a critical concern that we take very seriously. As such, we maintain all proper insurance coverages and limits that provide us with security and peace of mind. We carry in excess of \$10 million in Professional Liability/Errors & Omissions coverage with an A+ rated insurer.

Any errors and omissions claims that may exist, the underlying facts and any resolution of such claims are subject to confidentially provisions with our carrier partner or as part of any resolution agreement.

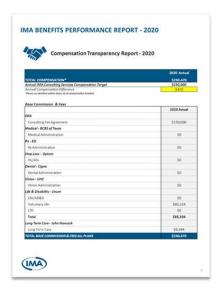
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a. Clearly outline your fee structure and any commissions or other compensation you may receive from insurance carriers, vendors or any other third parties relating to the services you provide to Cresa and implementation of its healthcare plans.

IMA is committed to 100% transparency regarding its compensation for services provided to Cresa. IMA believes in compensation set for value provided and that is accomplished through disclosure and negotiation with our clients. IMA formally discloses commissions or fees related to newly placed or renewed lines of coverage each year following a client's renewal.

Our recommendation for our engagement with Cresa will be a flat fee consulting arrangement. This will allow us to provide our full scope of consulting services and specialized resources with no additional costs to Cresa and your employees. Should IMA need to engage an outside resource (online benefits platform, employee communications translation services, etc.) and incur expense, that amount would be explicitly disclosed, and agreed upon by Cresa.



The table below outlines the details of our proposed annual compensation. We confirm that our proposed Benefits Consulting Services include all services requested by the Cresa. This target compensation is based on current enrollment, eligible participants and benefits offered. If the population or benefits offered should change significantly, we reserve the right to discuss adjusting the fee, if necessary, with Cresa.

| SCOPE OF SERVICES 1: General Consulting | PROPOSED FEE |
|--|-----------------------------|
| Consulting Services with Print Costs Included – to include but not limited to: Compliance, Plan Analysis/Strategy, Plan Marketing, Benchmarking and Underwriting, Comprehensive Open Enrollment Support, Ongoing Employee Education etc. | Flat Fixed Fee \$150,000 |

IMA's proposed fee includes comprehensive management and administration of Cresa's entire Employee Benefits package which includes medical and ALL ancillary and voluntary coverages being offered to employees upon taking over as your new broker.

IMA believes that contingent/bonus income arrangements are legitimate forms of compensation as long as it is transparent to the client, and if they are not tied to specific placement of accounts. IMA is completely transparent with our income sources when we have accepted contingent/supplemental compensation. In fact, the IMA Government team provides clients the new CAA transparency disclosure notices even though it is not required for non-ERISA plans. The majority of all brokers/consultants accept contingent commissions. Any amount received by IMA will be disclosed annually. IMA utilizes these dollars to invest in resources beneficial to our clients such as our Cedar Gate data analytics system (which costs per client, but we do not pass this expense on to clients), hiring subject matter experts and other resources, strategic partnerships, etc. These allow us to bring this value to our clients while keeping our consulting fee low, especially for full-service consulting.

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PERFORMANCE GUARANTEE

IMA is happy to provide a service guarantee, and willing to place 100% of our annual compensation at risk based on mutually agreeable and defined measurements. We propose a four-tiered measurement structure based on strategy, technical ability, client service and compliance. Each pillar weighted 25% during the annual compensation review and stewardship process.



b. Indicate if you are open to alternative compensation models, such as fee-based arrangements.

An advantage of IMA's private ownership structure is that it allows us complete flexibility in designing a compensation package that is fair to our client and adequately compensates us for our work to ensure resources are fully available and deployed. Most of our education clients are on an annual all-inclusive flat fee for service.

In our opinion, a flat-fee-for service allows for the following:

Transparency – We believe it is important for our clients to understand and see the compensation we are making on behalf of the work we do. Traditionally, these amounts are buried in premiums charged to the insured. Breaking these out of the premiums provide transparency to the client and we feel you won't ever wonder why we promoted one insurance carrier over another – our interests will fully align.

Preventing Increased Commission – In the event of a premium increase due to high claims or exposure increases that do not impact our service levels, we do not believe we should be making more income despite our workload not changing.

Client Alignment – Working on a flat fee arrangement removes any conflict of interest and allows IMA to work in the sole interest of our client.

IMA is willing to be compensated in whatever way is preferable to Cresa. If the current arrangement is on commission, but Cresa would prefer a flat fee, IMA would engage at the current commission rate for the remainder of the plan year (as we would be unable to pull it out) and remove the commission on the 2024-25 plan year. If Cresa would prefer to continue with a commission structure IMA would be willing to do so and provide an annual compensation disclosure reflecting any and all revenue generated as a result of placing Cresa's benefits.

Option 1: Maintain the existing commission structure for the remainder of the plan year, where the commissions are built into the premiums. The broker is paid by each carrier according to contract. Remove commissions upon renewal into a flat fee arrangement. An annual compensation disclosure notice will be provided.

Option 2: Maintain the existing commission structure on-going but provide an annual compensation disclosure notice outlining any and all commissions.

Option 3: A combination of fee and commission can be accomplished.

The method in which you chose to compensate us – either through commission or a flat fee for service – is your choice. We welcome the opportunity to fine tune the service plan and reach an agreement on our compensation, whether that's an annual fee or a more traditional commission-based approach.

c. Describe whether your company makes any performance guarantees and/or how the company puts its fees at risk to ensure the success of Cresa's plans.

At IMA, we stand by our work in both accuracy and integrity. As such, we propose a service guarantee, and these details can be finalized on the award of the consulting contract. IMA will place 100% of our compensation at risk based on mutually agreeable and defined measurements. Performance metrics must be defined that are specific, measurable and mutually agreeable. We propose four consulting pillars: strategy, technical, client service, and compliance with each pillar weighted 25%. In the event IMA failed to execute in every area, 100% is at risk. This would be an actively maintained scorecard.

d. Describe any activities that would fall outside the proposed scope of services and the associated costs.

All services referenced in this response will be included in our compensation. Generally, only pass-through expenses like printing costs are extra, as well as extraordinary services like ERISA litigation support. All of our compensation will be fully disclosed and transparent, including the source of any pass-through costs.

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a. Describe your range of insurance consulting services.

IMA's service philosophy throughout the yearly lifecycle for our clients is one established in our proveneffective consultative philosophy. That philosophy is rooted in three foundational responsibilities:

- 1. Being educational and informative so clients can make well-founded decisions.
- 2. Following a strategic and active approach to program management.
- 3. Constantly evaluating innovative trends in order to control costs while creating a valuable employee experience.

We do not believe there are any "silver bullets" or single solutions that work for all clients. We understand that one size does not fit all, and it is our goal to collaborate with our clients to create a customized multiyear strategy. The IMA team has collaborated with each of their clients to establish highly personalized benefits and insurance programs that represent the risks, individual values and objectives of those entities. The goal is that clients feel empowered by developing a deliberate strategy employing active plan management rather than be driven to make reactive decisions that may adversely impact the risk profile of the company or their employees. The combination of our consultative philosophy, continued training and development of the team, and the ongoing collaboration with Cresa will ensure an alignment of a multi-year strategic plan with the specific needs of the Cresa.

The plan is augmented by the ongoing evaluation of the Cresa's goals and objectives, benefit plan utilization patterns, demographic changes, annual financial changes, compliance concerns and market trends. It is imperative that a part of that evaluation is ongoing measurement of the effectiveness of past and future solutions and plan programs. IMA supports Cresa with a team of industry specialists who are unparalleled in the brokerage marketplace. We have subject-matter experts in the areas of compliance, employee experience, wellness, employee communications, data analytics, cost containment, loss control/safety, claims management, contract risk services, and technology advisory services to ensure your expectations are met.

One of the core examples of how IMA has fulfilled our service philosophy is by maintaining a **customer first** mentality as the core of our corporate strategic plan and our culture. It is reinforced by our employee-ownership structure. We reach out to our clients through targeted surveys and focused interviews at key touchpoints in our service cycle to better understand how well we're meeting their expectations. To maintain confidentiality, the responses are collected and analyzed by our internal Business Consulting team, and they report on the key themes they uncover to service teams and senior leaders.

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EMPLOYEE BENEFIT CAPABILITIES

There is more to our capabilities in addition to the strategic consulting. Your Strategic Advisory Team will provide the following services, engaging practice leads and subject-matter experts within IMA, throughout the year.



Health & Welfare Benefit Plan Strategic Consulting

Development of multi-year cost containment and funding strategy.



Whole Health

Consult and design a program around company culture to ensure successful implementation, ongoing engagement and long-term success.



IMA People Analytics

Comprehensive reporting and predictive modeling related to plan design, stop-loss and year-over-year trends.



Employer Advocacy Services

Advocacy support for employers/ employees, as well as between carriers and vendors.



Underwriting & Financial Services

Analysis of renewal along with alternative funding review and modeling.



Leave Management

Evaluate, calculate, and determine qualification and oversight of all leaves of absence.



Communications

Support in developing engaging employee communication strategies and campaigns.



Mineral

Industry-leading training, HR knowledge and compliance tools supported by live HR experts.



Mergers & Acquisitions

Transaction due diligence, including analysis of all opportunities and risks.



Vendor/Partner Services

Management of the RFI/RFP process and preferred vendor partner negotiations.



Voice of the Employee (VOE)

Use of employee insights to develop an EVP (Employee Value Proposition) that recruits and retains the right talent.



Compliance

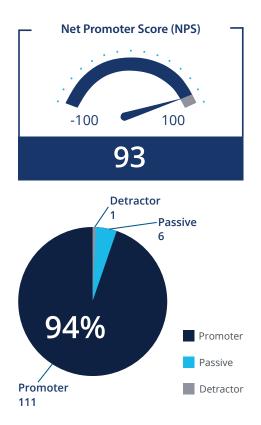
Legislative and regulatory updates with guidance on health care reform.

On a broader scale, we're also committed to listening and responding to the **voice of our customer** in an ongoing effort to improve our internal processes, service model and deliverables. Within both our Employee Benefits Division and our Property and Casualty Division, we've conducted large customer experience exploration projects in order to understand what matters most to our clients. We seize on those insights to raise our game and deliver even more value.

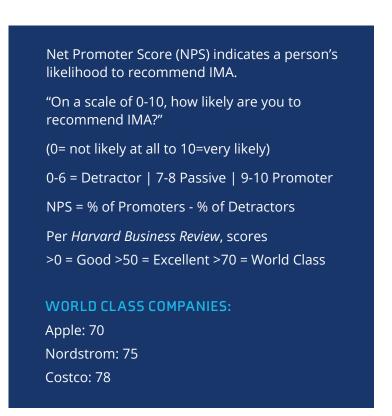
After conducting extensive customer surveys and interviews, we've been able to:

- + Improve internal efficiencies to increase our strategic focus with each client.
- + Optimize our team assignments to match the right service team with each client.
- + Identify our best-in-class, most highly rated deliverables and replicate those best practices across our offices.
- + Develop comprehensive submissions that improve our carrier relationships and negotiating clout.
- + Continuously innovate and invest in new technologies to better serve our clients.

With a Net Promoter Score of over 93 across our business we are proud to say our continuous effort to stay attuned to our customer's experiences has paid off and helped us retain 95% of our customers. An NPS is the leading client experience metric used by companies worldwide. Harvard Business Review considers scores at or above 70 to be World Class. We are extremely proud of our client satisfaction ratings and work hard to provide world class customer service.



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The following scope of services below is specific to Cresa and will all performed in-house except where specifically noted.

Health and Welfare Plan Strategic Consulting

Description of Services:

- + Establishment of goals and objectives for benefit program performance
- + Development of multi-year benefits program strategy in collaboration with Client
- Measurement of success of strategy initiatives supported by data through IMA People Analytics (powered by Cedar Gate) and carrier partners
 - Annually Year-end utilization review
 - Quarterly In person and/or dashboard report emailed to Client
- + Industry and market trend updates
 - Annually Strategy and Trends Meeting
 - Annual IMA Employee Benefits and Total Rewards Client Summit
 - Quarterly Market News Updates sent via email
- + Annual IMA updates on new resource and practice opportunities

- + Benchmarking reporting by set parameters
 - Annually Strategy and Trends Meeting
 - Ad hoc As requested by Client, if available
- + Strategy project work to include the following (if applicable by project):
 - Claims utilization data specific to strategy initiative
 - Vendor evaluation to be presented to Client in side-by-side comparison
 - Financial analysis and forecasting
 - Non-legal contract review
 - Presentation of results in annual strategy meeting or in separate meeting specific to project
 - Support Client in executive-level communications for any recommendations

Health and Welfare Plan Technical Consulting

Description of Services:

- + Financial reporting for measurement of plan performance
 - Monthly medical and Rx plan reporting with executive summary to be emailed
 - Year-to-date financial executive summary to be presented at Strategy and Trends Meeting, Strategy Project Results Meeting(s), Renewal and Budget Meeting and as requested by Client
- + Claims utilization review and analysis
 - Annual development of utilization dashboard report in collaboration with Client
 - Annually Year-end utilization review
 - Quarterly In person and/or dashboard report emailed to Client
 - 24/7 Client access to IMA People Analytics (powered by Cedar Gate)
- + Health and welfare benefit/program renewal management and negotiation
- + Medical and Rx plan underwriting
- + Benefit plan budget projections
 - Annually and as requested for mid-year reforecasting

- + Benefit plan contribution analysis and options
 - Annually
- + IBNR Reporting (as needed)
- + Plan design cost modeling (as needed)
- + Vendor/Carrier RFP Process (as needed) to include the following:
 - Market list recommendations and design of RFP questionnaire
 - Management of bidding process
 - Analysis and evaluation of proposals
 - Present side-by-side comparison of vendors/carriers to Client
 - Manage vendor finalist presentations
 - Collaborate with Client on recommendations for final selection
- + Health plan network evaluation and analysis, to include geo-access, disruption and discount analysis (as needed)
- + Other projects requiring actuarial certification may be quoted on a pass-through basis

Health and Welfare Plan Client Service and Day-to-Day Administration

Description of Services:

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- + Day-to-day service and administration to include, but not limited to the following:
 - Carrier/vendor liaison
 - Assistance with escalated claims issues
 - Assistance with billing issues
 - Benefit plan structure and eligibility questions
- + Bi-weekly calls with IMA and Client. IMA to maintain and provide action log for each call

- + Coordination of/participation in vendor recurring calls (as needed)
- + Project management of all vendor implementations, including if multiple vendors are to be implemented, the creation of a master project plan encompassing all vendors
- + Contract support including:
 - Non-legal contract review for all benefit program vendors

Benefits Compliance Consulting

Description of Services:

- + Comprehensive compliance review with ERISA counsel every three years, or when significant regulatory changes require a full review
- + Resources for fulfillment of compliance obligations (i.e., HIPAA policy and training, wrap plan document preparation, etc.). Projects are quoted on a pass-through basis and performed by Foulston Siefkin LLP or ERISA Fire.
- + Ongoing compliance webinars throughout the year

- + Compliance email bulletins throughout the year
- + ERISA Form 5500 preparation (prepared by third-party firm - ERISA Fire. No additional fees apply).
- + 24/7 access to our Mineral platform for Client which includes compliance resources, sample policy documents and community access to other HR professionals nationwide

IMA Whole Health Wellness Program Consulting

Description of Services:

- + Establishment of goals and objectives for Whole Health program to include focus areas of prevention, mental health, financial health and condition management
- + Development of multi-year program strategy in collaboration with Client
- + Work collectively with IMA benefits consulting team to integrate Whole Health strategies with benefit program strategies
- + Industry and market trend updates
 - Annually Strategy and Trends Meeting
- + Measurement of success of Whole Health program strategy through analysis of data through IMA People Analytics (powered by Cedar Gate) and reporting on engagement of individuals in the program provided the data is available
- + Ensure Whole Health program is compliant with ACA/EOCC/ADAAA/GINA regulations
- + Collaborate with IMA's internal communications team to market Client's Whole Health program to employees and provide executive-level communications, as needed

- + Vendor RFP Process (as needed) to include the following:
 - Provide vendor recommendations and design of RFP questionnaire
 - Management of bidding process
 - Analysis and evaluation of proposals
 - Present side-by-side comparison of vendors/carriers to Client
 - Manage vendor finalist presentations
 - Collaborate with Client on recommendations for final selection
 - Project management of vendor implementation
 - Non-legal contract review
- + Ongoing support of Whole Health program
 - Quarterly In-person update meetings
 - Monthly Check-in phone calls
 - Bi-weekly Vendor calls

Additionally, IMA's teams collaborate with each of their clients to establish highly personalized benefits programs that represent the individual values and objectives of those entities. The goal is that clients feel empowered by setting a deliberate benefits strategy employing active plan management rather than be driven to make reactive benefit plan decisions that may adversely impact employees. The combination of our consultative philosophy, continued training and development of the team, and the ongoing collaboration with Cresa will ensure an alignment of a multi-year strategic plan meeting your specific needs.

As a core component of our services, IMA helps our clients to understand the insurance marketplace, evaluate renewal options, negotiate competitive options and place quality insurance contracts. We will illustrate the options available to Cresa in a simple and easy to understand marketing report that is delivered 90-120 days before the renewal effective date. This report is the result of a comprehensive request for proposal (RFP) sent to the appropriate carriers and vendors.

IMA only markets to financially secure companies. Each line of coverage will be compared to the current and renewal plan options, both on a dollar and percentage basis. Our objective is to identify available benefit options that fit within Cresa's budget and plan design parameters.



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STRATEGIC PLANNING

- + Set objectives for marketing
- + Understand project scope
- + Identify team members
- + Release Broker of Record letters
- + Establish communications protocol
- + Determine markets
- + Discuss plan design alternatives

VENDOR EVALUATION

- + Conduct vendor reference checks
- + Finalize report format
- + Meet with vendors for proposal presentation
- + Negotiate final rates
- + Finalize Marketing Report

INFORMATION GATHERING

- + Request all necessary data
- + Inventory received data
- + Analyze claims/rates/contributions
- + Analyze demographic data

VENDOR SELECTION

- + Present Marketing Report
- + Review/negotiate contracts
- + Interview finalists
- + Select and notify
- + + + + + + + + +
- + + + + + + + +

DEVELOP AND DELIVER RFP

- + Categorize data received
- + Compose request letter
- + Peer review RFP draft
- + Review draft with client
- + Coordinate vendor meetings to review RFP
- + Submit RFPs to vendors

EMPLOYEE COMMUNICATIONS

- + Review prior communication
- + Review program and set objectives
- + Suggest theme and develop plan
- + Draft, approve and modify text
- + Finalize text and graphic design
- + Print and distribute

VENDOR FOLLOW-UP

- + Contact markets to ensure bids are in underwriting
- + Contact markets for status check, daily, if necessary
- + Answer vendor questions and provide additional information
- + Review proposals for completeness and follow up on all issues

ENROLLMENT

- + Determine enrollment information needed
- + Determine method and develop plan
- + Follow up regarding non-responding employees
- + Transmit enrollment data to vendor

IMA's consulting approach is to facilitate a mutually beneficial partnership between our client and all viable vendors that will result in a benefit plans that best align with Cresa's strategic and financial goals. We customize our marketing efforts based upon these goals and rely on our strong vendor relationships and expertise/experience to evaluate and outline all the options for clients.

IMA COST SAVINGS & NEGOTIATION PHILOSOPHY

- + IMA provides thorough analysis of the market offers using proprietary underwriting projections to independently evaluate carrier proposals.
- + Use strong relationships that our consulting team and benefit division leadership have with carriers to leverage a best offer for our clients.
- + Leverage our knowledge and expertise of the carriers and market to achieve the optimal results for our clients.

IMA KEY PROJECT OBJECTIVES

PROCESS MANAGEMENT

- + Pre-marketing data gathering and validation.
- + Provide market list recommendations and design of RFP scope of work and questionnaire.
- + Full management of bidding process.
- + Analysis and evaluation of proposals.
- + Full management of negotiation efforts with bidders.
- + Presentation of results to Client.
- + Coordination of vendor finalist presentations.

COST ANALYSIS

- + Provide administration services cost comparison to include multi-year options and contractual credits.
- + Medical plan network evaluation and analysis, to include geo-access, network disruption and discount analysis.
- + Evaluate introduction of regional network options in key markets and impact on overall plan cost and projected plan enrollment.

BENEFIT TO CLIENT

- + Full management of RFP process from pre-work to delivery of results and coordination of finalist meetings.
- + Potential cost savings to administration services through bid process.
- + Potential cost savings due to an identified improvement to the current network.
- + Potential employee experience benefit if an administration change results in better consumer tools/ interface and/or an alternative network results in better access to providers/facilities.



Enterprise-wide, IMA Financial Group places \$2 billion in insurance premiums with its carrier partners each year placing us in the top tier of insurance broker/consultants in the U.S.

IMA will perform a thorough analysis of the market offers using its proprietary underwriting assumptions/projections. This exercise provides negotiating leverage with the current vendors for the upcoming policy year.

Specific areas include but are not limited to the following:

- + Validate the incumbent consultant/broker renewal methodology
- + Evaluate alternative programs and pricing offered by the incumbent carriers
- + Conduct a thorough analysis of alternative carriers and strategy solutions
- b. Describe the services you provide to onboard a new client, including data collection, benefit plan overview, audit, and baseline assessment.

Please see letter H for outline.

c. Explain your approach to assessing our insurance needs and designing appropriate coverage, as well as establishing employee contributions to meet corporate objectives.

Your assigned analyst will engage their experience, utilize the multitude of technical resources available and collaborate with **Jordan Paulus** to ensure that all financial and actuarial needs of Cresa are met. This includes annual renewal negotiations, claims projections and advising through the budget process. As a part of those activities, our team will provide status quo employee contributions as well as model various scenarios to assist Cresa in meeting your corporate objectives.

IMA also utilizes predictive modeling tools to develop, assess and quantify plan design changes and population impacts. The power of IMA Analytics lies within its integration of information from Cedar Gate and the Johns Hopkins Adjusted Clinical Groups® (ACG®) data and Healthcare Effectiveness Data and Information Set (HEDIS®) quality care measures. The IMA Analytics system can store multiple years of historic data which allows IMA and Cresa to analyze any timeframe in addition to providing multi-year comparative analysis capabilities to assess risk and predict future plan and individual health costs.

d. Describe how your company will address Cresa's needs in the following areas:

- + Actuarial services
- + Annual renewal planning
- + Benchmarking
- + Communications, including newsletters, open enrollment, education
- + Compliance, including healthcare reform advice and strategies, SPDs, HIPAA
- + Cost projections
- + Data capture and transparency
- + Develop documents for enrollment (open and new hire) using Cresa branding
- + Employee satisfaction
- + Integration of preferred non-traditional components of current healthcare plan, such as DPC

- + Large claim analysis; identifying costcontainment opportunities
- + M&A assistance
- + Plan design modeling and employee contributions
- + Reporting
- + Renewal services
- + Strategic planning
- + Technology, including link with Paylocity
- + Útilization review and recommendations
- + Vendor management, including review of final contracts, ongoing performance reviews

IMA's scope of services is listed below. All services are included in either standard commission arrangements or a proposed fee if desired.

STRATEGIC PLANNING

- + Assist with the development of employee benefit plan goals and strategies, including benefit design, cost, employee/employer contributions, communication, and funding.
- + Develop 3-5 year strategic plan based on goals and strategies.
- + Provide analysis of existing plans, offer new solutions, and provide cost estimates and supporting recommendations.
- + Provide information on benefit trends and industry best practices as well as new benefit products and options.
- + Assist in the implementation and administration of new programs or changes to existing programs.
- + Benchmarking of current program to national, local, industry, peer and customized benchmarks.
- + Update and present Benchmarked Industry Personas for use in strategic planning discussions.

MARKETING & RENEWAL

- + Work with the client to develop objectives and plan designs to include in Requests for Proposals (RFP).
- + Collaborative creation of annual timeline, prior to renewal, tailored toward the client's strategic planning.
- + Prepare detailed specifications for Requests for Proposals and submit to insurance markets/vendors.
- + Prepare an evaluation of the proposals to simplify the comparative differences and important components of the proposals. Evaluation will include recommendations concerning such proposals.
- + Evaluate renewals proposed by insurance companies. Negotiate renewal rates with carriers based upon IMA's in-house underwriting projections and marketing results.

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COMMUNICATIONS & OPEN ENROLLMENT SUPPORT

- + Assist with preparation of multi-channel open enrollment communication materials, including but not limited to webinars, email templates, flyers, and brochures for the benefit of employees and beneficiaries.
- + Assist with the preparation, printing, and delivery of benefit guides for the employees.
- + Coordinate insurance company and service partner participants for the client.
- + Prepare presentations and other materials for open enrollment, new hire education, or other meetings as requested.
- + Conduct open enrollment meetings at location(s) agreed upon by the client and IMA.
- + Provide recorded versions of Open Enrollment presentations.
- + Translation: internal IMA Spanish translation resources provided. Outside translation services available at the client's expense.
- + Review and recommend digital and technology benefits vendors (video open enrollment, mobile application options, etc.) as open enrollment options.

EMPLOYEE ENGAGEMENT & EDUCATION

- + Employee access to IMA's Member Advocacy Line (call center) for employee questions.
- + Development of strategy and topics for education calendar to support client in regular education on important benefits topics to their employees.
- + Create education strategies for employee education around new products to ensure successful adoption upon Open Enrollment.
- + Coordinate design and use of educational content in multi-media formats.
- + Voice of the Employee (VOE) survey, dashboard, and strategic follow up.

ADMINISTRATION & VENDOR MANAGEMENT

- + Provide a dedicated service team that will be available and responsive to the client's team members on a timely basis.
- + Provide assistance with claims questions and appeals.
- + Provide assistance with issues regarding billing, enrollments, terminations and reconciliations.
- + Organize meetings or conference calls to review financial experience, claims and administrative issues, proposed and enacted legislation, and benefit trends.
- + Monitor benefit plan insurance carriers, claims administrators and other service partners/providers to ensure smooth administration.
- + Review contracts, plan documents, insurance policies and other documents for applicability, accuracy and consistency.
- + Oversee and attend strategic vendor meetings.
- + Assist with and escalate vendor and carrier projects, troubleshoot and resolve outstanding issues, challenges, and vendor account management struggles.
- + Assist in the marketing and RFP process for new vendors.

FINANCIAL REVIEW AND ANALYSIS

- + Provide fully insured loss ratio reports to monitor the health of the plan. 1
- + Provide actual versus budget reporting for self-funded plans to track against projected costs.
- + Provide pre-renewal and renewal underwriting projections to assist in strategy discussions, negotiations, and to validate the accuracy of carrier renewals. ¹
- + Develop accrual rates for self-funded medical, dental and vision plans, if applicable.
- + Review claim utilization and large claims information to determine the plan's cost drivers. 1
- + Develop contribution modeling to assist with meeting budget targets and overall long-term strategy.
- + IBNR analysis through our actuarial partners.
- + Review of various fully insured and self-funded options to include self-funded feasibility analysis.
- + Prepare and present quarterly (or annual) plan financial reports, based on claims and utilization data. 1

WELLNESS

- + Consult on and develop a wellness strategy for Cresa.
 - Assessment and wellness committee formation Discuss budget, the importance of a strong committee and brand.
 - Data Collection Deploy interest and culture surveys as well as a health risk assessment (a self-reported questionnaire designed to provide general aggregate lifestyle information about a workforce). Review the survey results and identify trends.
 - Program Plan Craft a 3-5 year strategy and support implementation.
 - Evaluate Results Meet with the wellness committee quarterly or annually. Deploy workforce survey to gather feedback specific to the wellness initiative. Review utilization reports (if available) and adjust goals accordingly.
- + Work in conjunction with the Compliance Team to ensure all incentives are within EEOC guidelines and steps are in place to mitigate risk.
- + Assist in the RFP vendor selection process and coordinate vendors and carriers accordingly.
- + Assist with online health risk assessment questionnaire (paper assessments available upon request): A self-reported questionnaire designed to provide general aggregate lifestyle information about a workforce.
- + Biometric Screenings: venous puncture blood draw and comprehensive screenings by a professional and certified team. Cost and availability often depends on carriers and third parties.²
- + Ergonomic Assessments: individual or group workstation assessments provided to help reduce/ prevent repetitive motion injuries and increase productivity.²
- + Educational workshops in-person or via webinar.
- + Health Fairs: An onsite event aimed at promoting healthy living, education and awareness.²
 - Use the following process to ensure a successful event:
 - Provide the client with a health fair questionnaire: Lock in the details of the event (location, date, time, number of attendees)

¹ Available for fully insured plans when claims data is available.

- · Determine a budget and timeline
- Identify potential vendor partners; determine any Bolton/IMA presence, if applicable.
- Request written confirmation of attendance from each attending vendor and follow up for debrief and feedback.

HR & BENEFITS ADMINISTRATION TECHNOLOGY SUPPORT

- + Support on Benefits Administration implementation calls
- + Availability to pull census and reports
- + Escalated support in troubleshooting
- + Support in EDI connections
- + Assist in the RFP process for new vendor relationship(s)

ANNUAL CLIENT STEWARDSHIP AND SERVICE REVIEW

- + Ongoing Voice of The Employer surveys
- + Annual stewardship and service review

COMPLIANCE

- + Keep client abreast of proposed and enacted legislation and regulations through newsletters and ongoing communication.
- + Determine implications of enacted legislation and recommend benefit or funding revisions when appropriate.
- + Conduct compliance audit every 1-3 years and offer assistance in the interpretation of government laws and regulations promulgated by federal and state agencies.
- + Prepare Annual Form 5500 for submission by the client to the federal government
- + Prepare Summary Annual Reports for distribution by the client to employees.
- + Prepare summary plan descriptions (SPDs) and advise on compliant methods of distribution.
- + Preparation of wrap documents as needed.
- + Draft business associate agreements, when needed.
- + Assist clients in preparing and customizing HIPAA policies and procedures.
- + Provide legally required notices.
- + Remind clients of deadlines, such as the annual disclosure to CMS regarding creditable coverage.
- + Advise on establishing measurement, administrative and stability periods.
- + Provide ACA Reporting guidance through annual filing process, including the data needed to satisfy reporting requirements.
- + Provide basic COBRA administration.
- + Access to Mineral platform resource.
- + Ongoing education and training.

² Additional fees may apply depending on scope of the project and vendors selected.

e. Describe the technology and resources available to facilitate efficient insurance management and communication.

For decades, improvements in technology have driven and transformed the development of industries worldwide. Employee benefits are no exception. Employers can now choose from a variety of flexible online portal options and communication resources to educate and inform employees based on their company's unique needs. We have found that a single solution does not work for every employer, which is why we offer multiple options. Many of the below technology solutions have also been included in the RFP Question above related to Employee Communications. In the interests of brevity, we have only briefly re-highlighted those below.

Custom Benefits Website: IMA can develop a custom website for Cresa housing an interactive benefits portal with links to enrollment engines, carrier websites, brochures, etc.

Mobile App*: A one-stop-shop to access all things related to employee benefits.

Decision Support Tools*: Al-driven tools help employees make better decisions when enrolling in benefits. Can often be integrated with HR/Payroll tech.

QR Codes: Allows employees to quickly access any digital resource by simply scanning the QR code. These can be added to websites, PDFs, postcards, and more.

Voice of the Employee: Survey development and analysis, including a dashboard that allows you to filter the results through a variety of lenses. You'll have direct access to the survey resource, data, and dashboard, but our team will also review the results with you as well. For questions directly related to the benefits strategy, we'll make recommendations based on your survey data.



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Flipbooks: IMA maintains a digital magazine capability for our clients through Lucid Press/Flipbook that we utilize to deliver digital benefit guides for employees.

Flimp Educational Videos: Access to dozens of pre-recorded Flimp educational videos in English and Spanish videos on common benefits topics ranging from personal finance to complex health care plans (i.e. How to Read an EOB). Our clients can make any or all of these available to their employees. The creation of custom videos can also be explored if ARI is interested in going beyond the standard content.*

BrainShark: Video presentation software that allows IMA to record customizable content in a chapter-based format, allowing for employees to skip around to important topics, and for content creators to easily replace outdated portions of the presentation. Often referred to as "Voice over PowerPoint."

Meeting Technology Flexibility: IMA can conduct virtual Open Enrollment meetings remotely through Teams, Zoom, GoToWebinar, or your preferred platform.

Mineral - Employee Training: While Mineral (formerly ThinkHR) is commonly utilized by the Employer team for 24/7 access to online HR forms and templates and the HR Pro hotline, your Mineral access also includes an employee training library of 200+ training topics. These can be assigned online and tracking is available for the ARI team to monitor employee completion. Many employers link the trainings to their current HR/Payroll tech system.

Text Messaging Tools*: Many of our clients find that reaching employees with information can be done best by putting it in the palm of their hands. Text and mobile alerts can be a powerful tool to do just that.

Wellness Challenge Resources*: Many wellness resources have technology tied to the program. IMA's wellness team can help explore wellness resources that are a good fit for Cresa and review the technology available to support it.



f. Describe your experience working with Paylocity and integrating company technology and payroll platforms.

EMPLOYEE COMMUNICATION

IMA helps clients to develop employee engagement and communication/education strategies that provide informative content in a variety of deliverables from app-based communication hubs to unique print material. With the development of this content, IMA can coordinate with specialized vendors for graphics and technology fulfillment support, if needed. In addition, IMA has included in the proposed scope of services access to newsletters, digital video, email, handouts, articles, Brainshark presentations, and other online communications, should Compute North want to utilize these as a communication medium.

Nearly all of our clients choose to share helpful information with their employees throughout the year to support them in many areas of their lives – from health and wellness to financial security. We manage these kinds of ongoing, strategic communication program as well.

HRIS & BENEFITS ADMINISTRATION SYSTEM SUPPORT

For clients seeking assistance in supporting current HRIS and benefit administration systems or implementation of a new system, IMA's approach to benefits technology starts with understanding each client's needs and future goals. IMA is platform agnostic when trying to find the right fit for each client's unique situation. We have relationships with key platforms and providers based on our market experience and diverse client needs.

Internally, IMA is a wholesaler of Employee Navigator and PlanSource with a designated team supporting all aspects of the system. If a client requires a more robust benefits administration platform, IMA will leverage established relationships with other industry platform solutions. If other services outside of Benefits Administration are required (payroll, timekeeping, performance, etc.) IMA will refer to a preferred technology consultant or payroll partner. Employee Navigator has an existing API built with Paylocity, so the two systems should communicate seamlessly.

g. Describe resources you have available to assist Cresa with merger and acquisition activity.

Our Private Equity Practice Group is a powerful resource in performing mergers and acquisitions (M&A) due diligence that creates confidence in understanding both potential risks in the transaction and identifying a plan for managing those risks. **Our due diligence services include:**

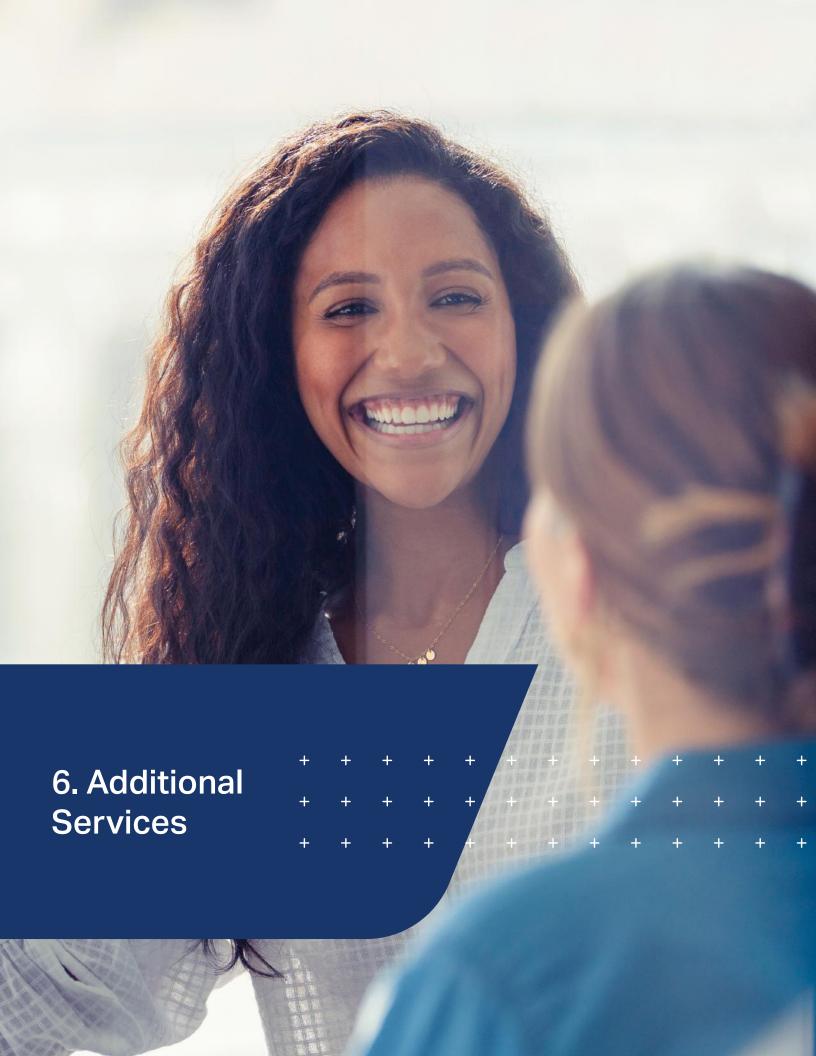
- + Complete review of the target acquisition's existing insurance program. The analysis includes an evaluation of the appropriateness of insurance coverage levels including liability limits and industry benchmarks for retentions or deductibles. We review the financial strength of the incumbent insurers and offer our perspective on future insurance industry trends that could impact rates or coverages for the target business.
- + Review of indemnity provisions or insurance requirement language found in all existing contracts for services held by the target business.
- + Provide synopsis of past claims, identifying any loss trends that may impact future insurance availability or rates, or that may indicate the need for alternative risk management practices or coverage enhancements. Any active claims are studied and analyzed for loss reserves and progress toward resolution and all potential costs associated with closing of the claim are quantified and reported.

Transactional insurance products are also a component of many deals and can help mitigate the risks of the transaction. Representations and warranties insurance is often used to help bridge the gap between buyer and seller to help get the deal done. We have considerable experience with these policies.

IMA has extensive experience in conducting confidential due diligence of potential acquisitions and growth partners. IMA can access a wide array of resources and will begin the due diligence project by accessing and organizing all relevant documents, files, and organizational information relevant to insurance and risk management plans. During this step, your service team will keep Cresa updated as to which information is still needed, so that relevant documents can be requested of the target organization without Cresa needing to organize that information itself.

Once data is compiled, your team will assess suitability and structure in various areas: funding mechanism (self-funded or fully insured), plan comparison to current Cresa plans by geographic and salary differentiation, cost/budget impact, liability review, and compliance with necessary reporting (PPACA, PCORI, ERISA, etc.).

A compressive report will be prepared for delivery to Cresa's benefit team, executive team, and/or the acquisition team. Final presentation will include recommendations on benefit design compatibility, budget, and strategic and tactical next steps for integration into current plan structures.



a. Outline any additional services or value-added offerings you provide not otherwise noted above.

IMA's in-house Whole Health Practice, led by **Adam Moret**, is responsible for consulting with IMA clients that strive to integrate wellness into their corporate culture. Our practice thrives on its ability to discover where clients currently are within their wellness program, understand what their goals are, and strategize how best to help them reach the outcomes they desire.



ADAM MORET
Whole Health
Practice Lead

The Whole Health team works hand-in-hand with Cresa's core consulting teams to find the right solution for each unique initiative to ensure Cresa and its employees feel supported in their wellness initiatives. The team specifically provides support in the following areas:

- + Partner with your team to establish goals and objectives for your Whole Health program to include focus areas of prevention, mental health and financial health
- + Work collectively with IMA benefits consulting team to integrate Whole Health strategies with benefit program strategies
- + Collaborate with your carriers to understand what Whole Health resources and programs they can provide
- + Assist with the ongoing design of your strategic plan, including budget allocation for your wellness initiatives
- + Provide industry and market trend updates, measure success of Whole Health program strategy through analysis of data through IMA People Analytics (powered by Cedar Gate) and report on engagement of individuals in the program (if the data is available)
- + Ensure Whole Health program is compliant

- + Support your Whole Health communication needs and provide a year-long engagement campaign with monthly health education materials with ACA/ EOCC/ADAAA/GINA regulations
- + Vendor RFP process (if needed) to include the following:
 - Provide vendor recommendations and design of RFP questionnaire
 - Management of bidding process
 - Analysis and evaluation of proposals
 - Present side-by-side comparison of vendors/carriers to Circle Graphics
 - Manage vendor finalist presentations
 - Collaborate with Circle Graphics on recommendations for final selection
 - Project management of vendor implementation
 - Non-legal contract review

IMA believes that wellness and the support of employees' and their families' whole health is comprehensively integrated in a successful health and welfare benefits program, and the work by the Whole Health Practice is included in the scope of the proposed service agreement at no additional charge.

ACCESS TO IMA'S HR COMPLIANCE PLATFORM

It's not always practical to expect our clients to consider benefits apart from broader HR issues. That's why we provide them with on-demand access to an extensive scope of HR compliance resources through Mineral™ (previously known as ThinkHR).

The Mineral HR compliance platform includes:

- + Access to HR and legal experts in a Help Desk arrangement.
- + An employee handbook builder.
- + A job description creator.
- + An HR compliance library.

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+ Employee training modules on important workplace issues like harassment and safety.

If you are looking to offer **educational opportunities to Cresa employees**, Mineral[™] has a Training Center module with over 300 regularly updated individual and group trainings. You can create training tracks to monitor progress and conveniently pull reporting at any time. Trainings include, but not limited to, Compliance and IT, Professional Development (presentation skills, time management, etc.), Workplace Safety, Anti-Harassment and more.

IN-HOUSE LEAVE & ABSENCE CONSULTING SERVICES

The paid leave landscape has evolved significantly in recent years, with numerous states and localities implementing new or expanded requirements for a variety of leaves. As a result, multi-state employers are faced with a patchwork of complex and often overlapping leave laws. Keeping track of these developments can be overwhelming, so IMA's Absence and HR Consulting Practice monitors them for clients and translates them into succinct and practical advice, which includes:

- + Compliance Alerts and Bulletins summarizing recent or upcoming legislative developments
- + Educational seminars and webinars discussing compliance hot topics
- + Compliance checklists, templates and other valuable tools and resources

Additionally, IMA's Absence and HR Consulting Practice helps employers navigate these challenges by developing a comprehensive set of leave policies to simplify administration, mitigate risk, and improve the employee experience. Our team can provide recommendations on existing leave offerings, plan design, and vendor support options to align with your company goals and drive recruitment and retention. We will also review your benefit plan eligibility language to ensure consistency with your company leave policies. Finally, we will help create a plan for implementation and develop employee communications to streamline the rollout of the program.

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IMA ADVOCACY CENTER

The IMA Call Center eliminates frustration and encourages proper use of your benefit plans by giving you a dedicated, single source contact for insurance-related matters. The IMA Call Center eliminates frustration and encourages proper use of your benefit plans by giving you a dedicated, single source contact for insurance-related matters.

Advantages for Employees The IMA Call Center will provide your employees with skilled assistance from a licensed benefits professional via phone or email who will assist with common issues that employees may face when utilizing their insurance plans. All assistance is provided in a discreet, professional and supportive manner.

Advantages for Employers In addition to the many benefits that employees experience, there are several administrative benefits as well: + Employee confidentiality/HIPAA compliance + Trend identification in order to troubleshoot benefit trouble areas + Frees up HR to focus on strategic planning

The IMA Call Center is a special service that helps employees and HR managers head off small insurance problems – before they become big ones. This can result in greater employee satisfaction and ultimately a savings in time and potentially costs.

FREE ACCESS TO IMA'S BENEFITS APP - STRIVE

Please refer to our Strive overview, included in the Appendix.

(PEPM charges do apply to access enhanced system features)

IN-HOUSE BENEFITS TECHNOLOGY SUPPORT

For clients that do not wish to pursue a full marketing of benefits administration platform, we support two benefit administration systems in-house: Employee Navigator and Apprize Both platforms provide employees with a user-friendly, educational experience for enrollment and benefits shopping with tools that help them make the best decisions. Both platforms offer a mobile-friendly experience so employees can access the enrollment platform at their convenience.

Employee Navigator provides a simple benefit administration tool for employees along with educational videos and communication. PlanSource is a more robust benefit administration tool that asks relevant questions and sources meaningful information to provide personalized plan recommendations.

Employee Navigator's sophisticated feature offerings include:

Benefits Administration This platform offers a streamlined, self-service online benefits enrollment tool for employees. Cresa's staff can enroll and view corporate policies and forms online, giving them easy access to all their benefits information and eliminating the need to fill out paperwork. For Cresa, there is the ability to maintain eligibility for all carriers in one place. There is also an onboarding component to streamline and automate the process of bringing on new employees.

Advanced ACA Tracking This software automatically incorporates ongoing reporting and tracking requirements being rolled out under the Affordable Care Act. It tracks hourly employee eligibility during measurement periods to quickly identify which employees are qualified for coverage. Administrators can collect important enrollment data in order to generate 1094-C and 1095-C forms. This dashboard is ready- to-use out of the box, ending the bureaucratic nightmare of incorporating ACA compliance requirements into the Cresa's benefits structure.

Central Management This program is accessible in one location by both HR staff and employees, improving communication and the user experience. Storing all the related files and interactions in one place will streamline the Cresa's various HR processes, such as employee onboarding, and eliminate waste from paper forms and files.

Mobile Access Employee Navigator can also be accessed via a mobile phone. The full website has been mobile-optimized and enables the Cresa employees to access critical benefits and company information anywhere, anytime, and from the device of their choosing. Employees will be able to view virtual ID cards, prescription information, plan documents and summaries, provider directories, and any other important information on this mobile platform.

For a YouTube video demo of Employee Navigator, go to *youtube.com/watch?v=JcemGGKj0G8*.

IMA also partners with Apprize Technology to provide the benefits administration platform. Apprize is a completely independent bSwift channel partner. Their target market is in the 500-5000 life segment. Apprize was founded in 2001 with their corporate headquarters based in Minneapolis. We have over 200 clients and over 100,000 lives under management.

Apprize's additional capabilities includes:

- + ACA Services
- + Ask Emma Decision Support
- + Total Comp Statements
- + Single Sign On (depending on vendor)
- + Bill Reconciliation

- + COBRA Services
- + HSA Services
- + EOI Processing
- + Ongoing Dependent Verification

Should Cresa desire a broader conversation regarding benefits technology, we understand that technology has become an integral component of designing and implementing an effective benefits/online enrollment platform. The technology marketplace is complex and constantly evolving. Most organizations lack the internal resources to fully implement all the features that may be available to them. As a result, many technology solutions fail to meet their intended objectives. Technology can deliver significant value, but only if the appropriate technology is selected and properly implemented. There are dozens of vendors available, but only a select few will likely align with your objectives.

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a. Provide at least three references from current or previous clients of similar size and industry, and with similar medical plan complexity. Include their contact information, the nature of the services provided, and the duration of your engagement.

| | CARDINAL REAL ESTATE |
|--|---|
| | Peter Lynch Chief People Officer |
| | 303.407.4500 x 8237 |
| | 4100 E. Mississippi Ave #700 Denver, CO 80246 |
| | Multi-year partnership with this self-funded client |
| | |
| | AXIS HEALTH SYSTEM MONTROSE ADMINISTRATION |
| | Tina Squires Vice President of People Strategy |
| | 970.903.4068 |
| | 1404 Hawk Parkway, Unit 201 |
| | Montrose, Colorado 81401-6470 |
| | Multi-year partnership with this self-funded client |
| | |
| | ALPINE BANK |
| | Kristi Shelton Executive Vice President |
| | 970.384.4308 |
| | 50891 Highway 6 |
| | Glenwood Springs, CO 81601 |
| | Multi-year partnership with this self-funded client |
| | |
| | |
| | |
| | |



ABC Company

Medical & Rx Claims Report for the Period January 1, 2022 through December 31, 2022 Paid Claims through December 31, 2022

Prepared by:

Account Executive: Cindy Executive
Account Manager: John Manager
Senior Analyst: Julie Analyst



Risk Management, Insurance, and Employee Benefits Solutions

IMA, Inc.

1705 17th Street, Suite 100 Denver, CO 80202 303.534.4567; 800.813.0203 303.615.7808 (Fax) imacorp.com

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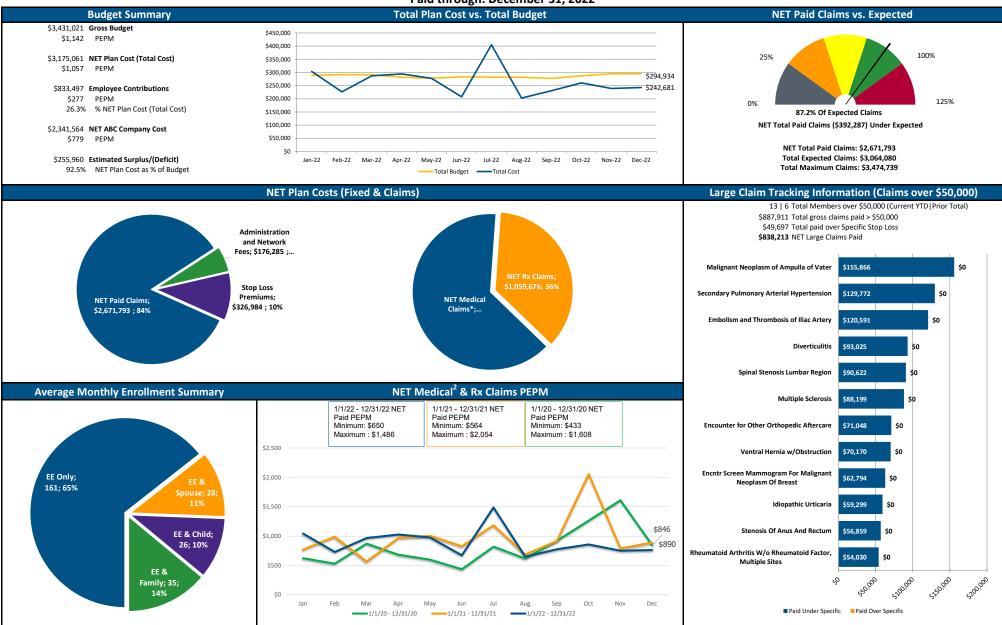
Insurance | Risk Management | Surety | Employee Benefits

The information contained in this confidential Claims Report was obtained from unaudited information submitted by Insurance Companies and/or Third Party Administrators. It is intended to be used for illustrative purposes only. If there are any discrepancies, the Insurance Company information will prevail.



ABC Company Dashboard Summary

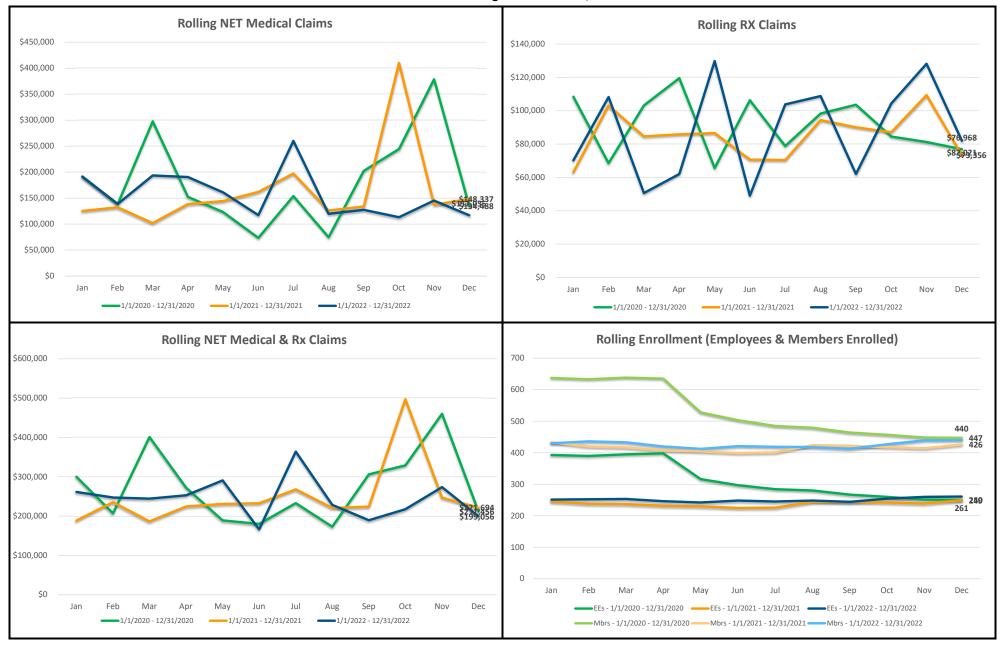
Plan Year Start: January 1, 2022 Paid through: December 31, 2022



¹ACA Fees are for illustration purposes only and not to be used for filing purposes
²NET Medical claims assumes 100% of stop loss reimbursements applied to medical claims
PEPM = Per Employee Per Month



ABC Company Rolling Paid Claims and Enrollment Summary Year to Date through December 31, 2022





Medical & Rx Plan Performance Report All Plans Executive Summary Total (All Plans)

| | | | | | _ | | | | | | | | Net Claims | |
|------------------------|--------------------|------------------|-------------|-------------------------------|----------------------------|--------------------|---------------------------------|-------------------------|------------|-------------------------------|--------------------|-------------------|---------------------------|----------------------|
| Month | Total Employees | Total Members | Total Admin | Total Stop Loss Premium | Gross Medical Claims | Gross Rx Claims | Gross Medical & Rx Claims | Claims over Specific | Rx Rebates | NET Medical & Rx Claims | Expected Claims | Maximum Claims | vs. Expected Claims | Total Actual Cost |
| А | В | С | D | Е | F | G | H (F + G) | - ' | 1 | (H - I - J) | L | M | N (K / L) | O (D + E + K) |
| January-22 | 251 | 430 | \$14,731 | \$27,279 | \$191,193 | \$70,257 | \$261,451 | \$0 | \$0 | \$261,451 | \$256,020 | \$288,926 | 102.1% | \$303,460 |
| February-22 | 252 | 436 | \$14,785 | \$27,561 | \$138,766 | \$108,248 | \$247,013 | \$0 | \$63,330 | \$183,683 | \$257,040 | \$292,173 | 71.5% | \$226,029 |
| March-22 | 253 | 433 | \$14,847 | \$27,527 | \$193,589 | \$50,687 | \$244,276 | \$0 | \$0 | \$244,276 | \$258,060 | \$292,878 | 94.7% | \$286,650 |
| April-22 | 246 | 420 | \$14,432 | \$26,711 | \$190,695 | \$62,122 | \$252,817 | \$0 | \$0 | \$252,817 | \$250,920 | \$284,127 | 100.8% | \$293,960 |
| May-22 | 242 | 412 | \$14,197 | \$26,426 | \$161,066 | \$129,780 | \$290,846 | \$0 | \$54,271 | \$236,575 | \$246,840 | \$278,764 | 95.8% | \$277,198 |
| June-22 | 248 | 421 | \$14,551 | \$26,959 | \$117,233 | \$49,099 | \$166,332 | \$0 | \$0 | \$166,332 | \$252,960 | \$286,809 | 65.8% | \$207,842 |
| July-22 | 245 | 419 | \$14,380 | \$26,957 | \$260,194 | \$103,882 | \$364,076 | \$0 | \$0 | \$364,076 | \$249,900 | \$287,233 | 145.7% | \$405,413 |
| August-22 | 248 | 418 | \$14,556 | \$26,854 | \$119,584 | \$108,821 | \$228,405 | \$0 | \$67,315 | \$161,090 | \$252,960 | \$286,809 | 63.7% | \$202,500 |
| September-22 | 244 | 412 | \$14,323 | \$26,569 | \$127,468 | \$62,068 | \$189,535 | \$0 | \$0 | \$189,535 | \$248,880 | \$282,716 | 76.2% | \$230,427 |
| October-22 | 254 | 427 | \$14,907 | \$27,598 | \$113,024 | \$104,437 | \$217,461 | \$0 | \$0 | \$217,461 | \$259,080 | \$293,584 | 83.9% | \$259,966 |
| November-22 | 260 | 439 | \$15,257 | \$28,236 | \$145,212 | \$128,255 | \$273,466 | \$0 | \$78,025 | \$195,441 | \$265,200 | \$300,359 | 73.7% | \$238,935 |
| December-22 | 261 | 440 | \$15,317 | \$28,308 | \$117,035 | \$82,021 | \$199,056 | \$0 | \$0 | \$199,056 | \$266,220 | \$300,359 | 74.8% | \$242,681 |
| Totals | 3,004 | 5,107 | \$176,285 | \$326,984 | \$1,875,057 | \$1,059,676 | \$2,934,734 | \$0 | \$262,941 | \$2,671,793 | \$3,064,080 | \$3,474,739 | 87.2% | \$3,175,061 |
| Averages | 250 | 426 | \$14,690 | \$27,249 | \$156,255 | \$88,306 | \$244,561 | | \$65,735 | \$222,649 | \$255,340 | \$289,562 | | \$264,588 |
| PEPM | | | \$58.68 | \$108.85 | \$624.19 | \$352.76 | \$976.94 | | \$87.53 | \$889.41 | \$1,020.00 | \$1,156.70 | | \$1,056.94 |
| РМРМ | | | \$34.52 | \$64.03 | \$367.15 | \$207.49 | \$574.65 | | \$51.49 | \$523.16 | \$599.98 | \$680.39 | | \$621.71 |
| Annualized | 3,000 | 5,112 | \$176,285 | \$326,984 | \$1,875,057 | \$1,059,676 | \$2,934,734 | | \$788,823 | \$2,671,793 | \$3,064,080 | \$3,474,739 | | \$3,175,061 |
| % Change | +5.2% | +2.5% | +1.7% | +1.7% | -11.3% | -1.3% | -8.0% | | +18.5% | -8.3% | +25.1% | +3.3% | | -6.9% |
| Jan-21 - Dec-21 Totals | 2,851 | 4,985 | \$164,432 | \$305,068 | \$2,006,786 | \$1,019,036 | \$3,025,822 | \$49,697 | \$210,626 | \$2,765,498 | \$2,324,335 | \$3,191,514 | 119.0% | \$3,234,998 |
| Averages | 238 | 415 | \$13,703 | \$25,422 | \$167,232 | \$84,920 | \$252,152 | | \$52,657 | \$230,458 | \$193,695 | \$265,959 | | \$269,583 |
| PEPM | | | \$57.68 | \$107.00 | \$703.89 | \$357.43 | \$1,061.32 | | \$73.88 | \$970.01 | \$815.27 | \$1,119.44 | | \$1,134.69 |
| % Change | -24.6% | -21.5% | +8.4% | +27.9% | +13.9% | +23.3% | +16.9% | | -0.3% | +23.0% | -2.9% | -3.4% | | +22.6% |
| Jan-20 - Dec-20 Totals | 3,781 | 6,354 | \$201,116 | \$316,375 | \$2,336,855 | \$1,095,649 | \$3,432,504 | \$171,477 | \$280,123 | \$2,980,904 | \$3,173,923 | \$4,381,536 | 93.9% | \$3,498,395 |
| Averages | 315 | 530 | \$16,760 | \$26,365 | \$194,738 | \$91,304 | \$286,042 | | \$70,031 | \$248,409 | \$264,494 | \$365,128 | | \$291,533 |
| PEPM | | | \$53.19 | \$83.67 | \$618.05 | \$289.78 | \$907.83 | | \$74.09 | \$788.39 | \$839.44 | \$1,158.83 | | \$925.26 |
| % Change | -14.3% | -9.3% | +5.6% | -47.7% | +0.0% | +20.8% | +5.8% | | +83.7% | +18.3% | +8.1% | +49.8% | | +5.5% |
| Jan-19 - Dec-19 Totals | 4,411 | 7,002 | \$222,276 | \$705,249 | \$2,726,026 | \$1,058,277 | \$3,784,303 | \$667,111 | \$177,881 | \$2,939,311 | \$3,426,729 | \$3,411,285 | 85.8% | \$3,866,835 |
| Averages | 368 | 584 | \$18,523 | \$58,771 | \$227,169 | \$88,190 | \$315,359 | | \$44,470 | \$244,943 | \$285,561 | \$284,274 | | \$322,236 |
| PEPM | | | \$50.39 | \$159.88 | \$618.01 | \$239.92 | \$857.92 | | \$40.33 | \$666.36 | \$776.86 | \$773.36 | | \$876.63 |

| Months | Employee | + Spouse | + Child | + Family | | Employee | + Spouse | + Child | + Family | | | |
|-------------------------|----------------------|----------|---------|-------------|--------------------|----------------------|--------------------|-------------|-----------------------------|-------------|--|-----|
| January-22 | 162 | 26 | 25 | 38 | Administration | \$58.36 | \$58.49 | \$58.31 | \$58.13 | \$4,000,000 | | |
| February-22 | 161 | 26 | 25 | 40 | ISL Premium | \$61.35 | \$167.05 | \$167.05 | \$167.05 | | 4 | _ |
| March-22 | 163 | 26 | 25 | 39 | ASL Premium | \$9.85 | \$9.85 | \$9.85 | \$9.85 | \$3,500,000 | \$3,474,739 | |
| April-22 | 159 | 26 | 25 | 36 | Max Claims Factor | \$705.73 | \$1,976.05 | \$1,976.05 | \$1,976.05 | | 40.054.000 | |
| May-22 | 155 | 28 | 24 | 35 | IMA Expected Claim | ns Factor (Composite | e) | \$1,0 | 20.00 | 42 000 000 | \$3,064,080 | |
| June-22 | 160 | 27 | 26 | 35 | | Medical & | Rx Claims Trend (I | Rolling 12) | | \$3,000,000 | \$2,671,793 | |
| July-22 | 155 | 30 | 26 | 34 | 25.0% 23.1% | | | | | | 32,071,793 | |
| August-22 | 161 | 28 | 26 | 33 | 23.0% | 21.1% | | | | \$2,500,000 | | |
| September-22 | 157 | 28 | 27 | 32 | 20.0% | 8% 17.4% | | | | | | |
| October-22 | 164 | 28 | 30 | 32 | | | 14.3% | | | \$2,000,000 | | |
| November-22 | 168 | 28 | 29 | 35 | 15.0% | | | | | 7-,, | | |
| December-22 | 169 | 29 | 29 | 34 | 10.0% | | | | | | | |
| Average | 161 | 28 | 26 | 35 | 10.070 | | 6.5% 5.8% | | | \$1,500,000 | | |
| % Change | +5.9% | +12.0% | +0.0% | -2.8% | 5.0% | | | 3.0% 3.8% | | | | |
| January 1, 2021 - Decei | | | | | | | | \smile | | \$1,000,000 | | |
| Averages | 152 | 25 | 26 | 36 | 0.0% | the Admin Arm | Many ton tel | | May D. | | | |
| % Change | -26.6% | -26.5% | -16.1% | -16.3% | -5.0% Jan Fe | eb iviar Apr | May Jun Jui | Aug Sep Oct | -Bl 0 % Dec -6.4% | \$500,000 | | · · |
| January 1, 2020 - Decei | mber 31, 2020 207 | 34 | 21 | 42 | -5.070 | | | \ | | \$300,000 | | |
| Averages % Change | -18.8% | -10.5% | +0.0% | 43 -2.3% | -10.0% | | | -1.1 | %/ | | | |
| January 1, 2019 - Decei | | -10.5% | +0.0% | -2.3% | 4 | | | | | \$0 - | | |
| Averages | 255 | 38 | 31 | 44 | -15.0% | | | | | | NET Medical & Rx Claims Expected Claims Maximum Clai | ıms |

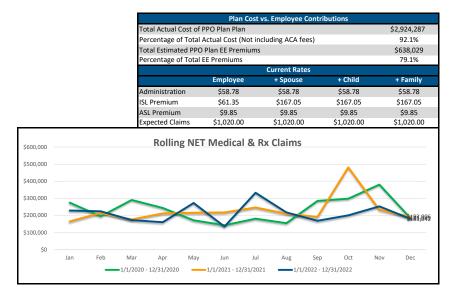


Medical & Rx Plan Performance Report PPO Plan Executive Summary

| | | | Total Florid | 0 | | C | | NET | | | Net Claims | |
|------------------------|--------------------|------------------|--|----------------------------|--------------------|---------------------------------|-------------------------|-------------------------------|--------------------|-------------------|---------------------------|----------------------|
| Month | Total Employees | Total Members | Total Fixed Cost (Admin + Stop Loss) | Gross Medical Claims | Gross Rx Claims | Gross Medical & Rx Claims | Claims over Specific | NET Medical & Rx Claims | Expected Claims | Maximum Claims | vs. Expected Claims | Total Actual Cost |
| А | В | С | D | E | F | | н | 1 | J | К | L | М |
| January 22 | 100 | 242 | 624.425 | Ć4.C4.E4.7 | ¢55,070 | (E + F) | ćo | (G - H) | Ć400 720 | 6242.027 | (I / J) | (D+I) |
| January-22 | 186 | 312 | \$31,135 | \$164,517 | \$65,079 | \$229,595 | \$0 | \$229,595 | \$189,720 | \$213,837 | 121% | \$260,730 |
| February-22 | 183 | 311 | \$30,853 | \$118,301 | \$106,094 | \$224,394 | \$0 | \$224,394 | \$186,660 | \$212,990 | 120% | \$255,247 |
| March-22 | 186 | 310 | \$31,137 | \$130,655 | \$42,468 | \$173,123 | \$0 | \$173,123 | \$189,720 | \$213,837 | 91% | \$204,260 |
| April-22 | 179 | 298 | \$30,013 | \$105,261 | \$55,655 | \$160,915 | \$0 | \$160,915 | \$182,580 | \$206,356 | 88% | \$190,928 |
| May-22 | 176 | 294 | \$29,727 | \$147,866 | \$125,677 | \$273,544 | \$0 | \$273,544 | \$179,520 | \$205,509 | 152% | \$303,270 |
| June-22 | 181 | 302 | \$30,485 | \$90,294 | \$45,547 | \$135,841 | \$0 | \$135,841 | \$184,620 | \$210,308 | 74% | \$166,326 |
| July-22 | 180 | 303 | \$30,569 | \$234,693 | \$98,084 | \$332,776 | \$0 | \$332,776 | \$183,600 | \$212,143 | 181% | \$363,345 |
| August-22 | 184 | 303 | \$30,769 | \$112,722 | \$105,204 | \$217,926 | \$0 | \$217,926 | \$187,680 | \$211,155 | 116% | \$248,696 |
| September-22 | 182 | 301 | \$30,614 | \$115,688 | \$53,515 | \$169,203 | \$0 | \$169,203 | \$185,640 | \$211,014 | 91% | \$199,817 |
| October-22 | 188 | 307 | \$31,503 | \$100,021 | \$101,265 | \$201,286 | \$0 | \$201,286 | \$191,760 | \$216,518 | 105% | \$232,789 |
| November-22 | 191 | 311 | \$31,895 | \$132,069 | \$121,719 | \$253,788 | \$0 | \$253,788 | \$194,820 | \$218,636 | 130% | \$285,682 |
| December-22 | 193 | 313 | \$32,155 | \$104,356 | \$76,686 | \$181,042 | \$0 | \$181,042 | \$196,860 | \$220,047 | 92% | \$213,197 |
| Totals | 2,209 | 3,665 | \$370,853 | \$1,556,441 | \$996,993 | \$2,553,434 | \$0 | \$2,553,434 | \$2,253,180 | \$2,552,348 | 113.3% | \$2,924,287 |
| Averages | 184 | 305 | \$30,904 | \$129,703 | \$83,083 | \$212,786 | | \$212,786 | \$187,765 | \$212,696 | | \$243,691 |
| PEPM | | | \$168 | \$705 | \$451 | \$1,156 | | \$1,156 | \$1,020 | \$1,155 | | \$1,324 |
| PMPM | | | \$101 | \$425 | \$272 | \$697 | | \$697 | \$615 | \$696 | | \$798 |
| Annualized | 2,208 | 3,660 | \$370,853 | \$1,556,441 | \$996,993 | \$2,553,434 | | \$2,553,434 | \$2,253,180 | \$2,552,348 | | \$2,924,287 |
| % Change | -5.2% | -8.9% | +1.9% | -9.8% | +6.2% | -4.1% | | -2.4% | +25.1% | +3.7% | | -1.9% |
| Jan-21 - Dec-21 Totals | 2,330 | 4,018 | \$383,946 | \$1,819,460 | \$990,364 | \$2,809,824 | \$49,697 | \$2,760,127 | \$1,899,579 | \$2,596,043 | 145.3% | \$3,144,073 |
| Averages | 194 | 335 | \$31,996 | \$151,622 | \$82,530 | \$234,152 | | \$230,011 | \$158,298 | \$216,337 | | \$262,006 |
| PEPM | | | \$165 | \$781 | \$425 | \$1,206 | | \$1,185 | \$815 | \$1,114 | | \$1,349 |
| % Change | -21.9% | -18.1% | +20.1% | +19.6% | +23.1% | +20.8% | | +25.9% | -2.9% | -3.4% | | +25.2% |
| Jan-20 - Dec-20 Totals | 2,984 | 4,904 | \$409,435 | \$1,948,338 | \$1,030,585 | \$2,978,923 | \$171,477 | \$2,807,446 | \$2,504,889 | \$3,441,221 | 112.1% | \$3,216,882 |
| Averages | 249 | 409 | \$34,120 | \$162,362 | \$85,882 | \$248,244 | | \$233,954 | \$208,741 | \$286,768 | | \$268,073 |
| PEPM | | | \$137 | \$653 | \$345 | \$998 | | \$941 | \$839 | \$1,153 | | \$1,078 |
| % Change | -14.7% | -10.3% | -34.4% | +9.1% | +24.0% | +13.9% | | +17.0% | +8.1% | +18.3% | | +6.4% |
| Jan-19 - Dec-19 Totals | 3,498 | 5,466 | \$731,607 | \$2,093,003 | \$974,033 | \$3,067,035 | \$253,397 | \$2,813,639 | \$2,717,456 | \$3,411,285 | 103.5% | \$3,545,245 |
| Averages | 292 | 456 | \$60,967 | \$174,417 | \$81,169 | \$255,586 | 7, | \$234,470 | \$226,455 | \$284,274 | | \$295,437 |
| PEPM | | | \$209 | \$598 | \$278 | \$877 | | \$804 | \$777 | \$975 | | \$1,014 |

5

| Months | Employee | + Spouse | + Child | + Family |
|--------------------------|-------------|----------|---------|----------|
| January-22 | 121 | 20 | 18 | 27 |
| February-22 | 117 | 20 | 18 | 28 |
| March-22 | 121 | 20 | 18 | 27 |
| April-22 | 116 | 21 | 18 | 24 |
| May-22 | 112 | 23 | 17 | 24 |
| June-22 | 116 | 22 | 19 | 24 |
| July-22 | 113 | 25 | 18 | 24 |
| August-22 | 120 | 23 | 18 | 23 |
| September-22 | 117 | 23 | 20 | 22 |
| October-22 | 122 | 23 | 22 | 21 |
| November-22 | 125 | 23 | 21 | 22 |
| December-22 | 127 | 24 | 21 | 21 |
| Average | 119 | 22 | 19 | 24 |
| % Change | -4.8% | +4.8% | -9.5% | -14.3% |
| January 1, 2021 - Decemb | er 31, 2021 | | | |
| Averages | 125 | 21 | 21 | 28 |
| % Change | -24.2% | -27.6% | -19.2% | -3.4% |
| January 1, 2020 - Decemb | er 31, 2020 | | | |
| Averages | 165 | 29 | 26 | 29 |
| % Change | -19.9% | -6.5% | +8.3% | -6.5% |
| | | | | |
| January 1, 2019 - Decemb | | | | |
| Averages | 206 | 31 | 24 | 31 |



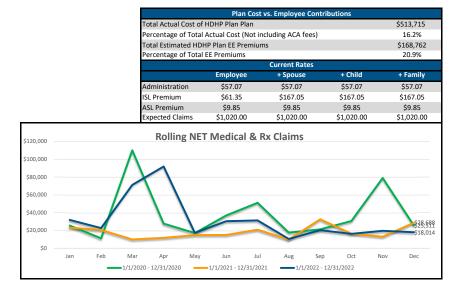


Medical & Rx Plan Performance Report HDHP Plan Executive Summary

| | | | | | | | | | | | Net Claims | |
|------------------------|--------------------|------------------|--|----------------------------|--------------------|---------------------------------|-------------------------|-------------------------------|--------------------|-------------------|---------------------------|----------------------|
| Month | Total Employees | Total Members | Total Fixed Cost (Admin + Stop Loss) | Gross Medical Claims | Gross Rx Claims | Gross Medical & Rx Claims | Claims over Specific | NET Medical & Rx Claims | Expected Claims | Maximum Claims | vs. Expected Claims | Total Actual Cost |
| A | В | С | D | E | F | G | н | - | J | K | L | М |
| | | | · | <u> </u> | <u> </u> | (E + F) | <u>.</u> | (G - H) | | | (1 / 1) | (D + I) |
| January-22 | 65 | 118 | \$10,874 | \$26,677 | \$5,179 | \$31,856 | \$0 | \$31,856 | \$66,300 | \$76,360 | 48% | \$42,730 |
| February-22 | 69 | 125 | \$11,493 | \$20,465 | \$2,154 | \$22,619 | \$0 | \$22,619 | \$70,380 | \$80,453 | 32% | \$34,112 |
| March-22 | 67 | 123 | \$11,237 | \$62,934 | \$8,219 | \$71,153 | \$0 | \$71,153 | \$68,340 | \$79,042 | 104% | \$82,390 |
| April-22 | 67 | 122 | \$11,131 | \$85,434 | \$6,468 | \$91,901 | \$0 | \$91,901 | \$68,340 | \$77,772 | 134% | \$103,032 |
| May-22 | 66 | 118 | \$10,897 | \$13,200 | \$4,102 | \$17,302 | \$0 | \$17,302 | \$67,320 | \$75,796 | 26% | \$28,199 |
| June-22 | 67 | 119 | \$11,025 | \$26,939 | \$3,551 | \$30,490 | \$0 | \$30,490 | \$68,340 | \$76,501 | 45% | \$41,516 |
| July-22 | 65 | 116 | \$10,769 | \$25,501 | \$5,798 | \$31,300 | \$0 | \$31,300 | \$66,300 | \$75,090 | 47% | \$42,068 |
| August-22 | 64 | 115 | \$10,640 | \$6,862 | \$3,617 | \$10,479 | \$0 | \$10,479 | \$65,280 | \$74,384 | 16% | \$21,119 |
| September-22 | 62 | 111 | \$10,278 | \$11,780 | \$8,552 | \$20,333 | \$0 | \$20,333 | \$63,240 | \$71,702 | 32% | \$30,611 |
| October-22 | 66 | 120 | \$11,003 | \$13,003 | \$3,171 | \$16,175 | \$0 | \$16,175 | \$67,320 | \$77,066 | 24% | \$27,177 |
| November-22 | 69 | 128 | \$11,599 | \$13,143 | \$6,536 | \$19,679 | \$0 | \$19,679 | \$70,380 | \$81,724 | 28% | \$31,277 |
| December-22 | 68 | 127 | \$11,470 | \$12,678 | \$5,335 | \$18,014 | \$0 | \$18,014 | \$69,360 | \$81,018 | 26% | \$29,484 |
| Totals | 795 | 1,442 | \$132,415 | \$318,617 | \$62,683 | \$381,300 | \$0 | \$381,300 | \$810,900 | \$926,908 | 47.0% | \$513,715 |
| Averages | 66 | 120 | \$11,035 | \$26,551 | \$5,224 | \$31,775 | | \$31,775 | \$67,575 | \$77,242 | | \$42,810 |
| PEPM | | | \$167 | \$401 | \$79 | \$480 | | \$480 | \$1,020 | \$1,166 | | \$646 |
| PMPM | | | \$92 | \$221 | \$43 | \$264 | | \$264 | \$562 | \$643 | | \$356 |
| Annualized | 792 | 1,440 | \$132,415 | \$318,617 | \$62,683 | \$381,300 | | \$381,300 | \$810,900 | \$926,908 | | \$513,715 |
| % Change | +52.0% | +48.9% | +0.7% | +11.5% | +43.3% | +15.7% | | +15.7% | +25.1% | +2.4% | | +11.4% |
| Jan-21 - Dec-21 Totals | 521 | 967 | \$86,156 | \$187,326 | \$28,672 | \$215,997 | \$0 | \$215,997 | \$424,756 | \$593,033 | 50.9% | \$302,153 |
| Averages | 43 | 81 | \$7,180 | \$15,610 | \$2,389 | \$18,000 | | \$18,000 | \$35,396 | \$49,419 | | \$25,179 |
| PEPM | | | \$165 | \$360 | \$55 | \$415 | | \$415 | \$815 | \$1,138 | | \$580 |
| % Change | -34.6% | -33.3% | +20.5% | -26.2% | -32.6% | -27.2% | | -27.2% | -2.9% | -3.3% | | -17.9% |
| Jan-20 - Dec-20 Totals | 797 | 1,450 | \$109,351 | \$388,517 | \$65,064 | \$453,581 | \$0 | \$453,581 | \$669,034 | \$938,227 | 67.8% | \$562,932 |
| Averages | 66 | 121 | \$9,113 | \$32,376 | \$5,422 | \$37,798 | | \$37,798 | \$55,753 | \$78,186 | | \$46,911 |
| PEPM | | | \$137 | \$487 | \$82 | \$569 | | \$569 | \$839 | \$1,177 | | \$706 |
| % Change | -12.7% | -5.6% | -36.4% | -29.7% | -11.5% | -27.6% | | +71.2% | +8.1% | +20.7% | | +28.8% |
| Jan-19 - Dec-19 Totals | 913 | 1,536 | \$196,948 | \$633,023 | \$84,244 | \$717,267 | \$413,714 | \$303,553 | \$709,273 | \$890,367 | 42.8% | \$500,501 |
| Averages | 76 | 128 | \$16,412 | \$52,752 | \$7,020 | \$59,772 | | \$25,296 | \$59,106 | \$74,197 | | \$41,708 |
| PEPM | | | \$216 | \$693 | \$92 | \$786 | | \$332 | \$777 | \$975 | | \$548 |

6

| Months | Employee | + Spouse | + Child | + Family |
|--------------------------|-------------|----------|---------|----------|
| January-22 | 41 | 6 | 7 | 11 |
| February-22 | 44 | 6 | 7 | 12 |
| March-22 | 42 | 6 | 7 | 12 |
| April-22 | 43 | 5 | 7 | 12 |
| May-22 | 43 | 5 | 7 | 11 |
| June-22 | 44 | 5 | 7 | 11 |
| July-22 | 42 | 5 | 8 | 10 |
| August-22 | 41 | 5 | 8 | 10 |
| September-22 | 40 | 5 | 7 | 10 |
| October-22 | 42 | 5 | 8 | 11 |
| November-22 | 43 | 5 | 8 | 13 |
| December-22 | 42 | 5 | 8 | 13 |
| Average | 42 | 5 | 7 | 11 |
| % Change | +55.6% | +25.0% | +40.0% | +37.5% |
| January 1, 2021 - Decemb | er 31, 2021 | | | |
| Averages | 27 | 4 | 5 | 8 |
| % Change | -37.2% | -20.0% | +0.0% | -42.9% |
| January 1, 2020 - Decemb | er 31, 2020 | | | |
| Averages | 43 | 5 | 5 | 14 |
| % Change | -14.0% | -28.6% | -16.7% | +7.7% |
| January 1, 2019 - Decemb | er 31. 2019 | | | |
| Averages | 50 | 7 | 6 | 13 |





ABC Company

Specific Stop Loss Tracking Information (Claims over \$50,000) Specific Deductible = \$200,000, Stop Loss 24/12 Contract, Policy Includes Medical & Rx Claims Paid Claims Through December 31, 2022

| Prior Year Claims Total | Enrollment Status | Diagnosis | Relationship | Gender | Plan | Specific Deductible | Paid YTD | Increase from Prior Month | Amount Over Deductible | % of Deductible | Claims Trend |
|----------------------------|-----------------------|---|--------------|-----------|------------------|------------------------|-------------|------------------------------|------------------------|--------------------|--------------------------|
| \$0 | Termed | Malignant Neoplasm of Ampulla of Vater | Subscriber | Female | HDHP Plan | \$200,000 | \$155,866 | \$0 | | 77.9% | |
| \$138,208 | Active | Secondary Pulmonary Arterial Hypertension | Subscriber | Female | PPO Plan | \$200,000 | \$129,772 | \$11,732 | | 64.9% | |
| \$10,329 | Active | Embolism and Thrombosis of Iliac Artery | Subscriber | Female | PPO Plan | \$200,000 | \$120,591 | \$3,157 | | 60.3% | |
| \$26,062 | Termed | Diverticulitis | Spouse | Female | PPO Plan | \$200,000 | \$93,025 | \$0 | | 46.5% | |
| \$22,787 | Active | Spinal Stenosis Lumbar Region | Subscriber | Female | PPO Plan | \$200,000 | \$90,622 | \$529 | | 45.3% | |
| \$170,688 | Termed | Multiple Sclerosis | Subscriber | Male | PPO Plan | \$200,000 | \$88,199 | \$0 | | 44.1% | |
| \$104,309 | Active | Encounter for Other Orthopedic Aftercare | Spouse | Male | PPO Plan | \$200,000 | \$71,048 | \$6,640 | | 35.5% | |
| \$16,281 | Active | Ventral Hernia w/Obstruction | Subscriber | Female | PPO Plan | \$200,000 | \$70,170 | \$694 | | 35.1% | |
| \$0 | Active | Encntr Screen Mammogram For Malignant Neoplasm Of | Spouse | Female | PPO Plan | \$200,000 | \$62,794 | \$175 | | 31.4% | |
| \$21,376 | Active | Idiopathic Urticaria | Subscriber | Female | PPO Plan | \$200,000 | \$59,299 | \$4,554 | | 29.6% | |
| \$118,385 | Active | Stenosis Of Anus And Rectum | Child | Male | PPO Plan | \$200,000 | \$56,859 | \$6,168 | | 28.4% | |
| \$70,785 | Active | Rheumatoid Arthritis W/o Rheumatoid Factor, Multiple | Subscriber | Female | PPO Plan | \$200,000 | \$54,030 | \$905 | | 27.0% | |
| \$0 | Active | Major Depressy Disorder, Recurrent Severe W/o Psych | Child | Female | PPO Plan | \$200,000 | \$50,079 | \$998 | | 25.0% | |
| | | | | Current Y | ear Large Claima | nt Summary | | | | | |
| | Total Gross La | rge Claims Paid | | | | | \$1,102,355 | | | | |
| | Total Amount | over Specific Stop Loss Level: | | | | | \$0 | | | <u>c</u> | color Code: |
| | NET Large Clai | ms Paid | | | | | \$1,102,355 | | | Claim has exce | eeded the specific level |
| | Gross Large Cl | aim Dollars as a Percentage of Gross Medical & Rx Cla | ims: | | | | 37.6% | | | Claim has exce | eeded 75% of stop loss |
| | Specific Stop L | oss Level | | | | | \$200,000 | | | Claim has exce | eeded 50% of stop loss |
| | ., | | | | | | ,, | | | | eeded 25% of stop loss |
| | | | | Prior Ye | ar Large Claiman | t Summary | | | | | |
| | | | | | 8 | 2021 | 2020 | 2019 | 2018 | 2017 | |
| | Total Gross La | rge Claims Paid | | | | \$887,911 | \$1,006,936 | \$1,758,128 | \$868,052 | \$1,145,664 | |
| | | over Specific Stop Loss Level: | | | | \$49.697 | \$171,621 | \$667,111 | \$117,999 | \$204,081 | |
| | NET Large Clai | • | | | | \$838,213 | \$835,315 | \$1,091,017 | \$750,054 | \$941,583 | |
| | | | | | | | . , | | | | |
| | _ | aim Dollars as a Percentage of Gross Medical & Rx Cla | iims: | | | 29.3% | 29.3% | 46.2% | 32.1% | 41.4% | |
| | Specific Stop L | | | | | \$200,000 | \$200,000 | \$100,000 | \$100,000 | \$100,000 | |
| | Total Claiman | ts (over 50%) | | | | 6 | 6 | 12 | 9 | 11 | |

7



ABC Company Medical and Rx Plan Budget January 1, 2022 through December 31, 2022

| Month | Total Fixed Cost | Net Medical & Rx Claims | Expected Claims | Total Actual Cost | Estimated EE Contribution | Estimated Total Actual ER Cost | Total Budgeted Cost | Difference vs. Total Actual Costs |
|------------------------|----------------------|----------------------------|--------------------|----------------------|------------------------------|--------------------------------------|------------------------|-----------------------------------|
| А | В | С | D | E (2.0) | F | G () | Н | (;, -) |
| January-22 | \$42,009 | \$261,451 | \$256,020 | (B + C) \$303,460 | \$68,100 | (E - F) \$235,360 | \$288,684 | (H - E) (\$14,776) |
| February-22 | \$42,346 | \$183,683 | \$257,040 | \$226,029 | \$69,806 | \$156,223 | \$291,855 | \$65,826 |
| March-22 | \$42,374 | \$244,276 | \$258,060 | \$286,650 | \$69,649 | \$217,001 | \$291,835 | \$4,696 |
| April-22 | \$42,374 \$41,144 | | | \$286,650 | | \$217,001 | | |
| • | | \$252,817 | \$250,920 | | \$67,699 | | \$281,135 | (\$12,825) |
| May-22 | \$40,623 | \$236,575 | \$246,840 | \$277,198 | \$67,385 | \$209,813 | \$277,794 | \$596 |
| June-22 | \$41,510 | \$166,332 | \$252,960 | \$207,842 | \$68,618 | \$139,223 | \$282,993 | \$75,151 |
| July-22 | \$41,337 | \$364,076 | \$249,900 | \$405,413 | \$69,325 | \$336,088 | \$282,042 | (\$123,371) |
| August-22 | \$41,410 | \$161,090 | \$252,960 | \$202,500 | \$69,357 | \$133,143 | \$281,257 | \$78,757 |
| September-22 | \$40,892 | \$189,535 | \$248,880 | \$230,427 | \$68,761 | \$161,666 | \$277,533 | \$47,106 |
| October-22 | \$42,505 | \$217,461 | \$259,080 | \$259,966 | \$70,927 | \$189,039 | \$286,749 | \$26,783 |
| November-22 | \$43,493 | \$195,441 | \$265,200 | \$238,935 | \$71,918 | \$167,017 | \$294,698 | \$55,763 |
| December-22 | \$43,625 | \$199,056 | \$266,220 | \$242,681 | \$71,951 | \$170,730 | \$294,934 | \$52,253 |
| Totals | \$503,268 | \$2,671,793 | \$3,064,080 | \$3,175,061 | \$833,497 | \$2,341,564 | \$3,431,021 | \$255,960 |
| Average | \$41,939 | \$222,649 | \$255,340 | \$264,588 | \$69,458 | \$195,130 | \$285,918 | \$21,330 |
| PEPM | \$168 | \$889 | \$1,020 | \$1,057 | \$277 | \$779 | \$1,142 | \$85 |
| PMPM | \$99 | \$523 | \$600 | \$622 | \$163 | \$459 | \$672 | \$50 |
| Annualized | \$503,268 | \$2,671,793 | \$3,064,080 | \$3,175,061 | \$833,497 | \$2,341,564 | \$3,431,021 | \$255,960 |
| % Change | +1.7% | -8.3% | +25.1% | -6.9% | +1.5% | -9.5% | +4.8% | -290.5% |
| Jan-21 - Dec-21 Totals | \$469,500 | \$2,765,498 | \$2,324,335 | \$3,234,998 | \$779,104 | \$2,455,894 | \$3,107,511 | (\$127,487) |
| Average | \$39,125 | \$230,458 | \$193,695 | \$269,583 | \$64,925 | \$204,658 | \$258,959 | (\$10,624) |
| PEPM | \$165 | \$970 | \$815 | \$1,135 | \$273 | \$861 | \$1,090 | (\$45) |
| % Change | +20.3% | +23.0% | -2.9% | +22.6% | +5.5% | +29.3% | +2.8% | -133.0% |
| Jan-20 - Dec-20 Totals | \$517,491 | \$2,980,904 | \$3,173,923 | \$3,498,395 | \$979,260 | \$2,519,135 | \$4,010,101 | \$511,706 |
| Average | \$43,124 | \$248,409 | \$264,494 | \$291,533 | \$81,605 | \$209,928 | \$334,175 | \$42,642 |
| PEPM | \$137 | \$788 | \$839 | \$925 | \$259 | \$666 | \$1,061 | \$135 |
| % Change | -34.9% | +18.3% | +8.1% | +5.5% | +7.1% | +5.0% | +3.6% | -7.7% |
| Jan-19 - Dec-19 Totals | \$927,524 | \$2,939,311 | \$3,426,729 | \$3,866,835 | \$1,066,840 | \$2,799,995 | \$4,513,871 | \$647,036 |
| Average | \$77,294 | \$244,943 | \$285,561 | \$322,236 | \$88,903 | \$233,333 | \$376,156 | \$53,920 |
| PEPM | \$210 | \$666 | \$777 | \$877 | \$242 | \$635 | \$1,023 | \$147 |

8

| Employee Contributions | | | | | | | | | | |
|------------------------|-----------------|-----------------|----------|----------|--|--|--|--|--|--|
| | <u>Employee</u> | <u>+ Spouse</u> | + Child | + Family | | | | | | |
| PPO Plan | \$168.60 | \$513.25 | \$462.68 | \$692.88 | | | | | | |
| HDHP Plan | \$124.28 | \$362.53 | \$330.20 | \$445.41 | | | | | | |

| Employer Contributions | | | | | | | | | | |
|---|-----------------|------------|------------|------------|--|--|--|--|--|--|
| | <u>Employee</u> | + Spouse | + Child | + Family | | | | | | |
| PPO Plan | \$635.31 | \$1,166.90 | \$1,032.59 | \$1,686.70 | | | | | | |
| HDHP Plan \$548.06 \$1,042.72 \$920.41 \$ | | | | | | | | | | |

| Total Monthly Funding | | | | | | | | | | |
|---|----------|------------|------------|------------|--|--|--|--|--|--|
| <u>Employee</u> <u>+ Spouse</u> <u>+ Child</u> <u>+ Famil</u> y | | | | | | | | | | |
| PPO Plan | \$803.91 | \$1,680.15 | \$1,495.27 | \$2,379.58 | | | | | | |
| HDHP Plan | \$672.34 | \$1,405.25 | \$1,250.61 | \$1,990.21 | | | | | | |

\$3,175,061 NET Plan Cost (Total Cost)

\$1,057 PEPM

\$3,431,021 Gross Budget

\$1,142 PEPM

\$833,497 Employee Contributions

\$277 PEPM

26.3% % NET Plan Cost (Total Cost)

\$2,341,564 NET ABC Company Cost

\$779 PEPM

\$255,960 Estimated Surplus/(Deficit)

92.5% NET Plan Cost as % of Budget



Dental Plan Performance Report Dental Executive Summary ABC Company

| Month | Total Employees | Total Members | Total Fixed Cost | Total Dental Claims | Expected Dental Claims | NET Dental vs. Expected | Total Actual Cost | EE Contributions | GVI Total Cost | Total Expected Costs |
|------------------------|--------------------|------------------|---------------------|------------------------|------------------------------|----------------------------|----------------------|---------------------|-------------------|----------------------------|
| Α | В | С | D | E | F | G (E / F) | H (D + E) | ' | ı | K (D + F) |
| January-22 | 258 | 443 | \$1,329 | \$10,851 | \$13,617 | 80% | \$12,179 | \$16,163 | (\$3,984) | \$14,946 |
| February-22 | 259 | 449 | \$1,334 | \$11,276 | \$13,670 | 82% | \$12,610 | \$16,464 | (\$3,854) | \$15,004 |
| March-22 | 260 | 444 | \$1,339 | \$8,779 | \$13,723 | 64% | \$10,118 | \$16,423 | (\$6,305) | \$15,062 |
| April-22 | 250 | 431 | \$1,288 | \$13,921 | \$13,195 | 106% | \$15,208 | \$16,281 | (\$1,073) | \$14,483 |
| May-22 | 245 | 416 | \$1,262 | \$10,914 | \$12,931 | 84% | \$12,176 | \$16,391 | (\$4,215) | \$14,193 |
| June-22 | 254 | 422 | \$1,308 | \$12,700 | \$13,406 | 95% | \$14,008 | \$16,600 | (\$2,591) | \$14,714 |
| July-22 | 246 | 412 | \$1,267 | \$8,586 | \$12,984 | 66% | \$9,853 | \$16,352 | (\$6,499) | \$14,251 |
| August-22 | 253 | 419 | \$1,303 | \$13,323 | \$13,353 | 100% | \$14,626 | \$16,285 | (\$1,659) | \$14,656 |
| September-22 | 248 | 415 | \$1,277 | \$6,522 | \$13,089 | 50% | \$7,799 | \$16,151 | (\$8,352) | \$14,367 |
| October-22 | 258 | 430 | \$1,329 | \$10,343 | \$13,617 | 76% | \$11,672 | \$16,048 | (\$4,376) | \$14,946 |
| November-22 | 269 | 446 | \$1,385 | \$9,690 | \$14,198 | 68% | \$11,076 | \$16,474 | (\$5,399) | \$15,583 |
| December-22 | | | | | | | | | | |
| Totals | 2,800 | 4,727 | \$14,420 | \$116,905 | \$147,784 | 79.1% | \$131,325 | \$179,632 | (\$48,306) | \$162,204 |
| Averages | 255 | 430 | \$1,311 | \$10,628 | \$13,435 | | \$11,939 | \$16,330 | (\$4,391) | \$14,746 |
| PEPM | | | \$5.15 | \$41.75 | \$52.78 | | \$46.90 | \$64.15 | (\$17.25) | \$57.93 |
| Annualized | 3,055 | 5,157 | \$15,731 | \$127,533 | \$161,219 | | \$143,264 | \$195,962 | (\$52,698) | \$176,950 |
| % Change | +7.2% | +1035.8% | +0.0% | -4.4% | -0.7% | | -4.0% | | | -40.2% |
| Jan-21 - Dec-21 Totals | 2,850 | 4,994 | \$14,678 | \$124,511 | \$151,506 | 82.2% | \$139,189 | \$149,920 | (\$10,731) | \$276,017 |
| Averages | 238 | 416 | \$1,223 | \$10,376 | \$12,626 | | \$11,599 | \$12,493 | (\$894) | \$23,001 |
| PEPM | | | \$5.15 | \$43.69 | \$53.16 | | \$48.84 | \$52.60 | (\$3.77) | \$96.85 |
| % Change | -24.5% | -23.5% | -0.0% | +1.1% | +4.6% | | +1.0% | | | +3.0% |
| Jan-20 - Dec-20 Totals | 3,775 | 6,527 | \$19,441 | \$163,118 | \$191,808 | 85.0% | \$182,559 | \$193,601 | (\$11,042) | \$354,925 |
| Averages | 315 | 544 | \$1,620 | \$13,593 | \$15,984 | | \$15,213 | \$16,133 | (\$920) | \$29,577 |
| PEPM | | | \$5.15 | \$43.21 | \$50.81 | | \$48.36 | \$51.29 | (\$2.93) | \$94.02 |
| % Change | -13.2% | -9.2% | +0.0% | -10.1% | -0.8% | | -9.1% | | | -5.3% |
| Jan-19 - Dec-19 Totals | 4,349 | 7,189 | \$22,397 | \$208,971 | \$222,843 | 93.8% | \$231,369 | \$222,211 | \$9,158 | \$431,814 |
| Averages | 362 | 599 | \$1,866 | \$17,414 | \$18,570 | | \$19,281 | \$18,518 | \$763 | \$35,985 |
| PEPM | | | \$5.15 | \$48.05 | \$51.24 | | \$53.20 | \$51.09 | \$2.11 | \$99.29 |

| Months | Employee | + Spouse | + Child | + Family | | Employee | + Spouse | + Child | + Family |
|------------------------|---------------|----------|---------|----------|--------------------|---------------------|----------|----------------|-------------|
| January-22 | 161 | 37 | 19 | 41 | Administration | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| February-22 | 161 | 35 | 19 | 44 | Dental Plan Claims | \$52.78 | \$52.78 | \$52.78 | \$52.78 |
| March-22 | 164 | 35 | 18 | 43 | | | | | |
| April-22 | 155 | 36 | 18 | 41 | \$160,000 | | | \$147,78 | 34 |
| May-22 | 152 | 37 | 18 | 38 | | | | ¥=11,11 | |
| June-22 | 162 | 36 | 20 | 36 | \$140,000 | | | | |
| July-22 | 154 | 38 | 19 | 35 | | | | | |
| August-22 | 162 | 36 | 20 | 35 | \$120,000 | \$116,905 | | | |
| September-22 | 157 | 36 | 20 | 35 | | | | | |
| October-22 | 163 | 36 | 24 | 35 | \$100,000 | | | | |
| November-22 | 172 | 36 | 24 | 37 | \$100,000 | | | | |
| December-22 | | | | | | | | | |
| Average | 160 | 36 | 20 | 38 | \$80,000 | | | | |
| January 1, 2021 - Dece | mber 31, 2021 | | | | | | | | |
| Averages | 144 | 36 | 18 | 40 | \$60,000 | | | | |
| % Change | -26.9% | -23.4% | -25.0% | -14.9% | | | | | |
| | | | | | \$40,000 | _ | | | |
| January 1, 2020 - Dece | mber 31, 2020 | | | | | | | | |
| Averages | 197 | 47 | 24 | 47 | \$20,000 | | | | |
| % Change | -16.5% | -13.0% | -11.1% | +2.2% | , | | | | |
| | | | | | \$0 | | | | |
| January 1, 2019 - Dece | mber 31, 2019 | | | | ŞU + | Total Dental Clair | ms | Expected Dent | al Claims |
| Averages | 236 | 54 | 27 | 46 | | Total Delital Clair | 113 | Expected Delit | ai Ciairiis |



INDUSTRY PROFILE: REAL ESTATE

TRAITS & DISTINGUISHERS

- + A strong industry with high competition for talent
- + When recruiting potential employees, pay is a more important and driver than benefits in the decision-making process
- + Employees typically value perks that help them save money (e.g. equipment stipend)
- Employees often change companies for wage adjustments
- + Employees waive coverage more frequently than in other industries
- Employee well-being programs are more likely to be used, with emphasis on personal responsibility and employee incentives for healthy behavior
- + Employers value cost stability when it comes to benefits
- + Overall, strategy of emphasizing employee responsibility, by focusing rewards on pay structureMore likely to offer family planning and fertility support.

IMA BOOK OF BUSINESS

90+ unique clients

20,000+ employees

BENEFIT BENCHMARKS

- + Fewer plan design choice offerings on average
- Benefits tend to be less valuable on average
- Higher than average employee premiums for employee only coverage, but significantly higher than average family premiums
- + Much more likely to be fully-insured than employers of similar size

83%

70%

30%

offer PPO plans*

offer HDHP plans*

offer HMO plans*

HEALTH PLAN COST AND DEMOGRAPHICS

Medical Spend



Lower medical spend per employee

Rx Spend



Lower Rx spend per employee

Chronic Conditions





Chronic Respiratory Failure

ER Utilization



Lower emergency room utilization

Workforce Gender



Average gender split

Family Size:



Average contract size

Geography



Rural and suburban employee location

Plan Member Age



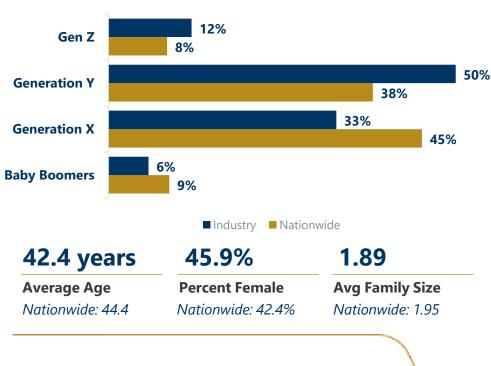
Younger average employee age



*IMA Book of Business industry statistics

INDUSTRY DEMOGRAPHICS

GENERATIONAL DISTRIBUTION



EMPLOYEE PREFERENCES BY DEMOGRAPHIC GROUP (ALL INDUSTRIES)

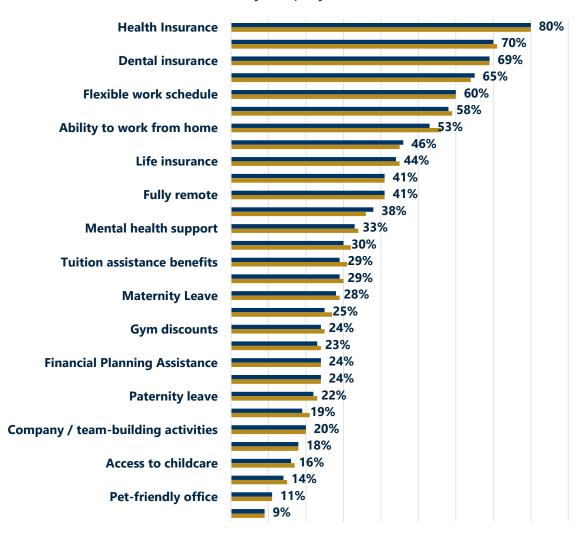
| | Gender Fei | | Female | male | | Male | |
|------------------------|------------------------------|-------|--------|------|-------|-------|-----|
| | Age Band | 20-35 | 36-50 | 50+ | 20-35 | 36-50 | 50+ |
| | Health insurance | 1 | 1 | 1 | 1 | 1 | 1 |
| | Dental insurance | 2 | 2 | 2 | 3 | 2 | 2 |
| Medical | Non-high deductible option | 8 | 14 | 14 | 12 | 11 | 8 |
| ĕ | Telemedicine access | 10 | 9 | 12 | 11 | 7 | 10 |
| | Wellness programs | 12 | 11 | 10 | 10 | 9 | 9 |
| | Multiple dental offerings | 13 | 13 | 16 | 14 | 14 | 12 |
| - | 401k match | 5 | 3 | 5 | 4 | 4 | 3 |
| nci | Cash in unused PTO | 6 | 8 | 6 | 9 | 7 | 10 |
| Financial | Student loan repayment | 16 | 16 | 17 | 15 | 17 | 19 |
| 证 | Tuition assistance benefits | 11 | 10 | 15 | 12 | 13 | 17 |
| of | Ability to work from home | 4 | 4 | 4 | 5 | 6 | 5 |
| Quality of Life | Flexible work schedule | 3 | 5 | 2 | 2 | 3 | 4 |
| le i | Generous parental leave | 7 | 14 | 11 | 8 | 12 | 15 |
| ō | Mentor program | 19 | 19 | 18 | 18 | 18 | 18 |
| | Life insurance | 8 | 6 | 7 | 6 | 5 | 6 |
| ⊊ e | Disability insurance | 13 | 7 | 8 | 7 | 10 | 7 |
| nta 'an | Critical care insurance | 17 | 12 | 9 | 16 | 15 | 13 |
| Voluntary Insurance | Hospital Indemnity insurance | 18 | 17 | 12 | 17 | 16 | 14 |
| | Pet insurance | 13 | 18 | 19 | 19 | 19 | 16 |

DEMOGRAPHIC IMPACTS

- + Different demographic groups value total rewards packages differently. Examples include: females of all ages tend to value the ability to work from more heavily than men, while employees of both genders aged 35 and below value generous parental leave programs
- + Considering your demographic profile when developing a total rewards and quality-of-life package will help attract the most valuable employees



"From my perspective, I find this a highly valuable benefit for my employer to offer"

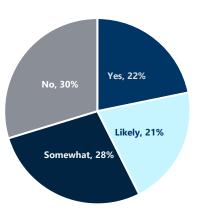


EMPLOYEE PRIORITIZATION

While health insurance remains the most important benefit to employees, employee priorities have shifted towards more emphasis on quality of life benefits such as flexible work schedules, remote work, and leave programs.



Would you leave a job for better benefits?

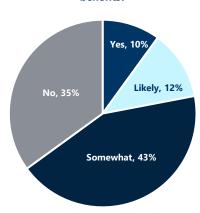


26.8%

Turnover Rate*

Nationwide: 16.9%

Would you accept lower pay for better benefits?







STRATEGIC INITIATIVES AND FUTURE STRATEGIES

| Strategic Initiative | <u>Industry*</u> | National* |
|---------------------------------------|------------------|-----------|
| Medical Plan, Network, and Utilizatio | n | |
| HDHP Option | 70% | 84% |
| Spousal Surcharge or Spouse | Exclusion: 9% | 8% |
| Exclusion | Surcharge: 9% | 16% |
| Tolomodicino Cost Sharing | Yes: 62% | 69% |
| Telemedicine Cost Sharing | Avg copay: \$20 | \$25 |
| Onsite/Near Site Clinic - | Occ. Health: % | 11% |
| Occupational Health | Primary Care: % | 12% |
| Advocacy Tools | Digital: 38% | 29% |
| Advocacy roots | Telephonic: 13% | 6% |
| Reference Based Pricing | 0% | 2% |
| Pharmacy | | |
| PBM Carve-Out | 30% | 37% |
| Drug Purchasing Coalition | 38% | 28% |
| Steerage to specialty pharmacy usa | 100% | 83% |

| Rates "Important" or "Very Important" | <u>Industry*</u> | National [*] |
|--|------------------|-----------------------|
| Adding programs/services to expand access to behavioral health services | 100.0% | 73.8% |
| Focused action to manage cost for specialty drugs | 80.0% | 72.5% |
| Steering members to high-value care | 75.0% | 31.5% |
| Adding, expanding or incentivizing virtual care, telemedicine, or digital health resources | 75.0% | 51.2% |
| Monitoring and managing high-cost claimants | 60.0% | 80.2% |
| Addressing health inequities and/or the social determinants of health | 50.0% | 46.7% |
| Improving access to high-quality primary care | 50.0% | 59.0% |
| Designing benefits of value to remote workers | 0.0% | 30.3% |

ONE SIZE DOES NOT FIT ALL

- + Strategic and active plan management can help employers manage costs while providing valuable benefits to employees.
- + While this page shows the most commonly considered strategic initiatives based on industry, the most effective strategies will consider a group's population, culture, and both short-term and long-term goals.



VOLUNTARY AND ANCILLARY BENEFITS

VOLUNTARY BENEFITS

| % Offering Benefits | Industry* | National* |
|---------------------------------|-----------|-----------|
| Accident | 81% | 63% |
| Cancer / critical illness | 71% | 55% |
| Individual disability insurance | 24% | 27% |
| Whole / universal life | 29% | 27% |
| Hospital indemnity | 48% | 32% |
| Long-term care | 24% | 19% |
| Auto / homeowners | 19% | 8% |
| ID theft | 52% | 30% |
| Legal benefit | 57% | 30% |
| Discount purchase program | 57% | 16% |
| Student loan refi/repayment | 5% | 7% |
| Pet insurance | 43% | 20% |
| None of the above | 0% | 16% |

*Survey Data From: Mercer National Survey of Employer-Sponsored Health Plans, 2021, Real

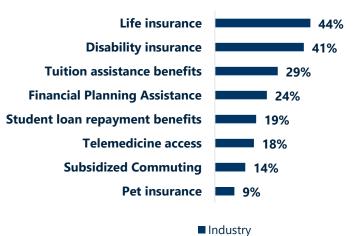
As cost of health coverage continues to rise for employers and employees, many employers are offering voluntary benefits to provide each employee access to benefits that they value most.

Voluntary benefits increase the diversity in available benefit offerings, provide benefits to employees in different life stages with different benefit needs, and to supplement and enhance core benefit offerings while managing employer cost.

ANCILLARY AND FINANCIAL BENEFITS

| % Offering Benefits | <u>Industry</u> | <u>National</u> |
|--|-----------------|-----------------|
| Tuition assistance | 33% | 28% |
| Financial Planning | 9% | 21% |
| In-office perks (breakfast, ping-pong) | 16% | 18% |
| Long-Term Care | 11% | 15% |
| Subsidized Commuting | 7% | 8% |

EMPLOYEE PRIORITIZATION







FLEXIBILITY AND REMOTE WORK STRATEGIES

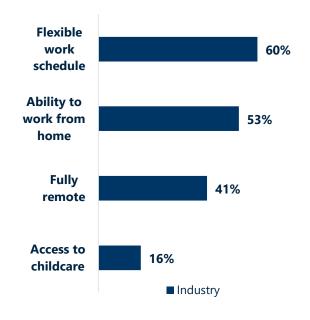
Employers in many industries are embracing remote work options to provide their employees valued flexibility. These often include remote work programs, home office support, and well-being initiatives voluntary benefits aimed at an at-home workforce.

| Health Program Strategy Changes Planned in | | |
|---|------------------|-----------|
| Response to a Larger Remote Workforce | <u>Industry*</u> | National* |
| Assessing health plan network adequacy for employees who don't live near a worksite | 0% | 11% |
| Emphasizing virtual care strategies to address potential provider access issues | 20% | 37% |
| Adding financial subsidies for home office equipment, furniture or expenses | 0% | 16% |
| Adding/enhancing well-being initiatives that are targeted to remote workers | 0% | 23% |
| Adding voluntary benefits for more custom/personalized benefit packages | 0% | 18% |
| Re-evaluating investments in worksite well- being amenities (gym, food, perks, etc.) | 0% | 18% |
| Re-evaluating the entire employee value proposition | 0% | 10% |
| None of these | 80% | 37% |

*Survey Data From: Mercer National Survey of Employer-Sponsored Health Plans, 2021, Real Estate

| % Offering Benefits | <u>Industry</u> | <u>National</u> |
|-----------------------------|-----------------|-----------------|
| Flexible work schedule | 51% | 46% |
| Option to be fully remote | 17% | 24% |
| Option to work from home | 27% | 38% |
| Offers childcare | 3% | 10% |
| Offers subsidized commuting | 7% | 8% |

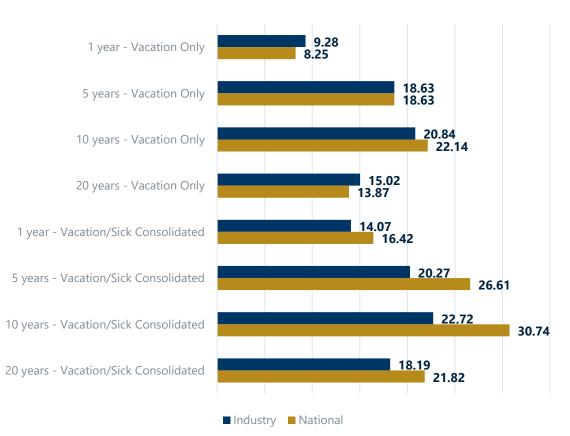
EMPLOYEE PRIORITIZATION





LEAVE AND PTO STRATEGIES

PTO/VACATION DAYS BY YEARS OF SERVICE



| <u>Metric</u> | <u>Industry</u> | <u>National</u> |
|----------------------------|-----------------|-----------------|
| Unlimited PTO | 6% | 8% |
| Offers Paid Holidays | 87% | 82% |
| Avg # Paid Holidays | 8.00 | 7.70 |
| Consolidated vacation/sick | 22% | 32% |
| Paid volunteer days | 17% | 20% |

EMPLOYEE PRIORITIZATION





MENTAL HEALTH AND WELLNESS

MENTAL HEALTH UTILIZATION

4.68%

Depression Diagnosis

National Institute of Mental Health estimate: 6.7%

-8.3%

-23.3%

Mental Health/Substance Abuse
Admissions vs Nationwide

Mental Health/Substance Abuse
Office Visits vs Nationwide

-21.6%

-22.4%

Mental Health Medical PMPM vs Nationwide

Mental Health Pharmacy PMPM vs Nationwide

TRUE COST OF MENTAL HEALTH DISORDERS

While mental health only makes up a fraction of overall medical and pharmacy benefits costs, the true cost of mental health includes higher claims costs for co-present physical conditions, lower productivity, and higher absenteeism.

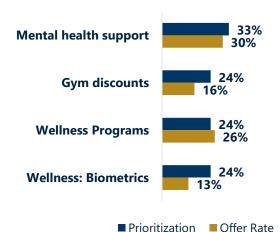
WELLNESS AND WHOLE HEALTH

Holistically Healthy Employees Are...

- + **74%** more likely to be satisfied with their job
- + **51%** more likely to intend to stay at their organization beyond the next 12 months
- + **53%** more likely to be productive

Source: MetLife's Employee Benefits Trends Study, 2022. https://www.metlife.com/2022-employee-benefit-trends/

EMPLOYEE PRIORITIZATION AND OFFER RATES





DEI AND EMPLOYEE SUPPORT PROGRAMS

| Organizational Diversity, Equity, and Inclusion (DEI) Goals | <u>Industry*</u> | <u>National*</u> |
|--|------------------|------------------|
| Collaboration with organization's DEI team | 40% | 24% |
| Employee surveys | 20% | 32% |
| Feedback from Business Resource Groups/Employee Resource Groups | 20% | 25% |
| Evaluating health plan utilization data by segment | 0% | 12% |
| Manager feedback | 0% | 14% |
| Recruiter feedback | 0% | 9% |
| Some other method | 0% | 6% |
| Not currently collecting this information / not applicable | 60% | 52% |

DIVERSITY, EQUITY AND INCLUSION PROGRAMS

DEI programs help improve access to health and well-being benefits that employees of diverse backgrounds value. These efforts improve both the health and productivity of employees.

50.0%

Gender Affirmation Coverage

Nationwide: 30.8%

| Coverage Types (For Those With | | | |
|---|------------------|-----------|--|
| <u>Coverage)</u> | <u>Industry*</u> | National* | |
| Behavioral health services / counseling | 89% | 83% | |
| Non-surgical gender affirmation treatment (hormone therapy) | 78% | 73% | |
| Other associated services | 33% | 53% | |
| None of these, affirmation surgery only | 11% | 8% | |

84.2%

Fertility Coverage

Nationwide: 47.7%

| % Offering Coverage | <u>Industry*</u> | National* |
|-------------------------------------|------------------|-----------|
| Evaluation by a specialist | 79% | 45% |
| Drug therapy | 47% | 26% |
| In vivo fertilization | 32% | 23% |
| In vitro fertilization | 42% | 29% |
| Egg freezing | 26% | 9% |
| No infertility services are covered | 16% | 52% |



PEOPLE ANALYTICS INDUSTRY BENCHMARKS - COST, UTILIZATION, CHRONIC CONDITIONS

MEDICAL COST AND UTILIZATION

\$669.07

Medical Cost Per Employee Per Month

Nationwide: \$761.98

169

ER Visits Per 1,000

Nationwide: 183

3,556

Office Visits Per 1,000

Nationwide: 4,298

40.3

Admissions Per 1,000

Nationwide: 45.7

5.80

Length of Stay (Days)

Nationwide: 5.86

13.7%

Avoidable ER Visits

Nationwide: 13.5%

0.0%

Routine Exam Adherence

Nationwide: N/A

4.7%

Readmission Rate

Nationwide: 6.3%

-11.5%

Immunizations

PEPM vs Nationwide

MEDICAL DIAGNOSES AND CHRONIC CONDITIONS

Top 5 Diagnosis Categories (By Per Member Cost)

| Rank | Industry Rank | National Rank |
|------|-------------------|-------------------|
| 1 | Cancer | Cancer |
| 2 | Trauma/Accidents | Gastrointestinal |
| 3 | Infections | Infections |
| 4 | Gastrointestinal | Pregnancy-related |
| 5 | Pregnancy-related | Cardiac Disorders |

Top 5 Chronic Conditions (By Prevalence) vs Nationwide

| Rank | Chronic Condition | Percent Difference |
|------|--------------------------|--------------------|
| 1 | Hypertension | -13.0% |
| 2 | Hyperlipidemia | -15.9% |
| 3 | Diabetes | -14.2% |
| 4 | Lower Back Pain | -14.4% |
| 5 | Depression | -16.0% |

Diagnoses with Highest Cost Compared to Nationwide Average:

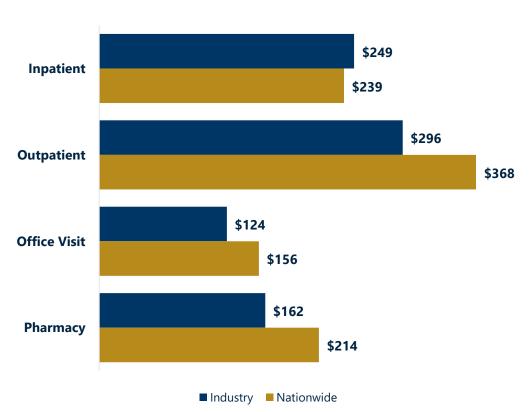
- + Trauma/Accidents
- + Diabetes
- + Renal/Urologic
- Infections
- Medication Reactions



PEOPLE ANALYTICS INDUSTRY BENCHMARKS - SERVICE CATEGORIES, PHARMACY

+ CLAIMS COST DRIVERS

PEPM Cost by Service Category



+ PHARMACY COST AND UTILIZATION

\$161.88

Pharmacy Cost Per Employee Per Month

Nationwide: \$214.27

81.8%

8,159

Generic Fill Rate

Scripts Per 1,000

Nationwide: 81.3%

Nationwide: 9,497

14.4%

Mail Order Fill Rate

Nationwide: 14.1%

Top 5 Therapeutic Classes

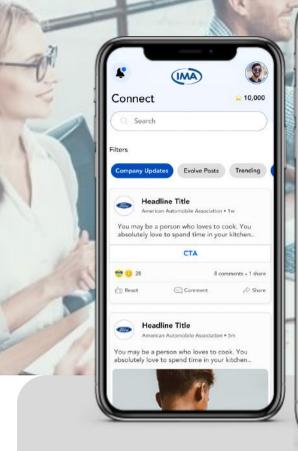
| Rank | Industry Rank | National Rank |
|------|------------------|------------------|
| 1 | Diabetic Therapy | Diabetic Therapy |
| 2 | Antiarthritics | Antiarthritics |
| 3 | Antineoplastics | Antineoplastics |
| 4 | Dermatologicals | Antivirals |
| 5 | Antivirals | Dermatologicals |

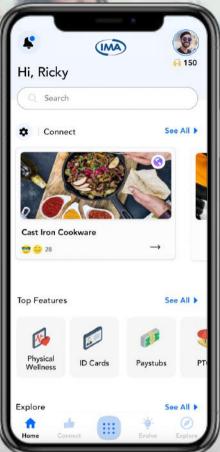
Therapeutic Classes with Highest Cost Compared to Nationwide Average:

- + Sedative Non-Barbiturate
- + Enzymes
- Thyroid Preps



Your Benefits - Key Features









Build Connection

Connect & interact with company and colleagues. Allow centralize access to other programs



Seek Evolution

Drive change behavior by incentivizing moments that matter such as challenges or recognition



Drive Exploration

Tailored to each individual, employees can choose features & topics important to them



Invite Your Family

Invite your family to the app & give them access to the same great features available to you



All Things Benefits

Quickly connect to detailed plan info, benefits guide, & everything else benefits related



Financial Management

Centralize and access payroll, 401k, HSA/FSA, and everything related to financial well-being



Telemedicine Integration

Access telemedicine with one click and instantly connect to a virtual doctor to receive care



Integrated Advocacy

Access advocacy directly in the app to receive help regarding benefits or claims





2023 BENEFITS & WELLBEING GUIDE

CONNECT. DISCOVER. THRIVE.

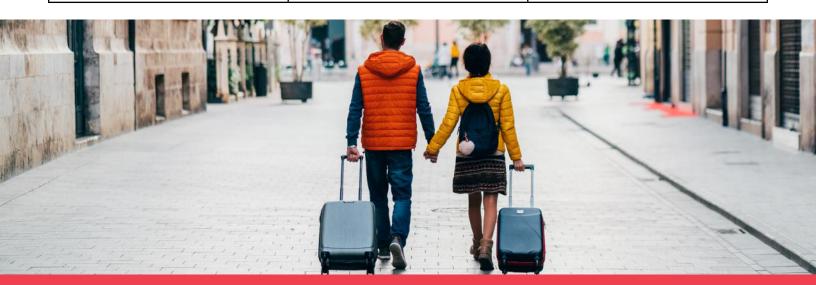
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How to Enroll In or Make Changes to Your Benefits

Use this guide and the tools and resources available to you to learn about your benefit options. This is your opportunity to make changes to your benefits.

| | When you can enroll in or make changes to your benefits: | When you can enroll in or make changes to your benefits: |
|--|--|--|
| If it's open enrollment | Each Fall, you can make changes to your benefits for coverage effective January 1 through December 31 of the following calendar year. To enroll, visit BenefitSolver. | If you do not log in to BenefitSolver to make changes, your coverage will remain the same with the following exceptions: Non-Tobacco User Incentive will default to Tobacco User FSA will default to Waive |
| If you're a benefits eligible new hire | Welcome! You can enroll in benefits first of the month following a 60 day waiting period. | If you are a newly eligible team member you will be automatically enrolled in Life, Disability and EAP coverage. If you do not elect coverage during your enrollment period your medical, dental, vision and other voluntary coverage will be waived. |
| If your have a qualifying life event | Certain life events, like a having a baby and getting married or divorced, allow you to make changes to your benefits mid-year. If you have a Qualifying Life Event, make sure you update your benefit elections within 31 days. If you lose coverage under CHIP or Medicaid, you have 60 days from the date of losing coverage to make changes. | If you don't make changes within 31 days of a Qualifying Life Event (or 60 days for loss of coverage under CHIP or Medicaid), you won't be able to make any changes to your benefits until the next Open Enrollment period. |





Eligible Dependents

The health and well-being of your family is important to us. To help them manage their health, we offer benefits to you and your eligible dependents.

Your eligible dependents include:

- Legal spouse
- Common law spouse or domestic partner
- Children (biological, adopted, placed for adoption, step and foster) under the age of 26.
 A child will remain eligible for coverage under Company ABC's health plans until the end of the month that a child turns age 26, even if the child is married, does not live with you, does not rely on you for financial support and/or is not a student
- Disabled children over the age of 26 (proof of disability is required)

Qualifying Life Events

If you have a Qualifying Life Event, such as birth or adoption of a child, court-ordered custody of a child, or change in family status, such as marriage or divorce, you have 31 days from the date of the qualifying life event to make allowable changes to your benefits. If you lose coverage under CHIP or Medicaid, you have 60 days from the date of losing coverage to make changes.

Learn more about making changes to your benefits on page 3.

What's New and What's Changing

Team Member Contributions

While Company ABC continues to pay the majority of team member contribution costs for coverage, the increasing costs of health care means it's up to all of us to continue to work together to maintain our health and wellbeing - both of individuals, but also as a broader team. By utilizing the tools and resources available to you and choosing to stay in-network when you need care, you'll save money and receive the best care for you and your family.

2023 Benefit Plan Updates

Medical Plan Network Change
The Anthem CDHP and PPO medical plans
will now be offered through Cigna utilizing the
Open Access Plus network.

The medical plan options offered through Cigna will mirror the previous options offered through Anthem. See page 8 for more information.

Please note, you will receive a new ID card if you enroll in a Cigna medical plan. If you have any questions regarding your Cigna medical plans, call 888.806.5042 or visit myCigna.com.

Telemedicine & Telebehavioral HealthIf you enroll in a Cigna medical plan, virtual care will now be offered through MDLive. See page 7 for more information.

Working Advantage Employee Perks Program You have access to an Employee Perks Program through Working Advantage. See page 15 for more information.

Your 2023 Benefits Action Checklist

LEARN: Read through this guide to see what benefits are available to you and your family in 2023. *If you have questions, reach out to a member of your People Services team.*

REVIEW: Look at your current elections and think about family members you may be covering. Decide if you will enroll in coverage, and whether you want/need to add any eligible dependents. This is also a good time to review and update your beneficiary designations.

ENROLL: Log in to BenefitSolver to elect your benefits coverage.

- Should you experience a Qualifying Life Event during the year, you will have the ability to re-elect coverage.
- Learn more about Qualifying Life Events on page 4.

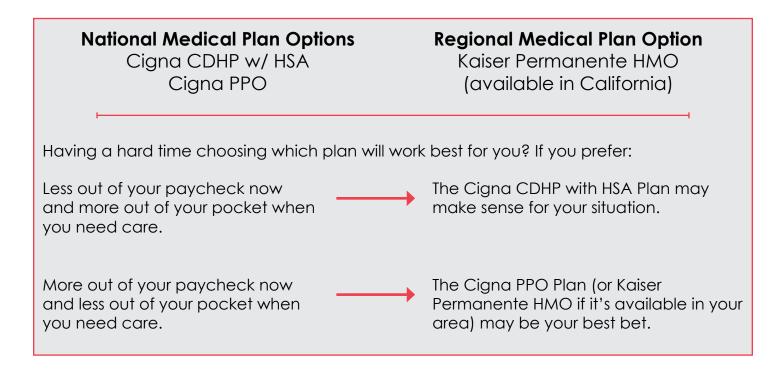
CONFIRM: Make sure your 2023 benefit elections are correct by reviewing them on BenefitSolver. **Don't forget** to print a copy of your 2023 Benefits Confirmation Statement.

REMEMBER

- If you are currently enrolled in an Anthem medical plan, you will automatically be enrolled in the corresponding Cigna medical plan unless you make an active election.
- If you currently contribute to any of the Flexible Spending Accounts (FSAs), you must make new contribution elections for 2023. Learn more on page 12.
- Health care provider and facility networks can change. Be sure to check that your provider or facility is part of the medical network you choose.
- Non-tobacco designations will not rollover for 2023. If you do not use tobacco products, you must redesignate your non-tobacco status.

Medical Plans

We want you to be who you are, which is why we are offering you medical plan options that can meet you where you are. All of our medical plans offer coverage for a wide range of services and pay 100% in-network preventive care, like annual physicals and most preventive screenings.



A Regional Plan May Be Available to You:

If you work in San Diego, in addition to the medical and dental plan options listed, you will have access to SIMNSA medical and dental plan options. The SIMNSA plans cover services received in Mexico only.

To learn more about these plans, see pages 7 - 10.

- View your current benefit elections, enroll or make changes through BenefitSolver.
- Contact Cigna at www.mycigna.com.
- Contact Kaiser Permanente at www.kp.org.

Cigna Medical Plans

Cigna Consumer-Directed Health Plan

A Consumer-Directed Health Plan (CDHP) is designed to empower you to take control of your health, and give you ownership over how you spend your health care dollars.

This plan costs less per pay period, but does have a higher deductible than your other plan options. The CDHP also provides you with a tax-advantaged account, called the Health Savings Account (HSA), to help you pay for qualified health care expenses including doctor's bills, hospital charges and pharmacy expenses. Your HSA funds can also be used for dental and vision expenses. Any remaining funds in your HSA at the end of the year will carry forward. This allows you to build your savings year after year, and the best part is that you can take it with you - even if you leave or retire from Company ABC.

Cigna Preferred Provider Organization (PPO Plan

With the Cigna Preferred Provider Organization (PPO) Plan, you'll have a slightly lower annual deductible than your other plan option and fixed office visit copays.

Also, you'll get the most mileage out of your benefits when you choose a doctor who's innetwork. The Cigna plans do cover out-of-network care; however, your out-of-pocket costs will be higher.

To learn more about the Cigna plans and in-network providers, visit www.mycigna.com.

MDLive Telemedicine & Telebehavioral Health

Telemedicine

If you enroll in one of the Cigna medical plans, you can connect with a U.S. based board-certified doctor any time you need non-emergency care, 24 hours a day, 7 days a week. Through a face-to-face visit on your computer or mobile device, you can get answers to your questions, have your condition examined and even get a prescription if necessary. Some common conditions doctors can help with include: cold, flu, allergies, sinus infections and rashes.

- If you enroll in the Cigna CDHP with HSA
 Plan, you will be responsible for the full cost
 (pricing ranges from \$100 \$175) of the visit
 until you meet your annual deductible. All
 prices are clearly displayed on myCigna.
 com before you book your appointment.
- If you enroll in the Cigna PPO Plan, you will pay a \$20 copay for each visit. A \$10 savings compared to a visit to your doctor!

Telebehavioral Health

With behavioral/mental health virtual care, you get the care and attention you'd expect from an in-office visit, wherever and whenever is most convenient for you. Some common conditions doctors can help with include: addictions, depression, eating disorders, grief/loss, panic disorders, stress and more.

- If you enroll in the Cigna CDHP with HSA Plan, you will be responsible for the full cost (pricing ranges from \$100 - \$175) of the visit until you meet your annual deductible. All prices are clearly displayed on myCigna.com before you book your appointment.
- If you enroll in the Cigna PPO Plan, you will pay a \$20 copay for each visit. A \$10 savings compared to a visit to your doctor!

Comparing Your Medical Plan Options

All of your medical plan options provide you 100% coverage for preventive examinations and immunizations. To review the medical plan summaries and find out more information, talk to a People Services representative, or visit the Reference Center in BenefitSolver.

| Cigna Plans (National) | | | | | | |
|-------------------------------|---|--|--|--|--|--|
| Plan Feature | CDHP + HSA | PPO* | | | | |
| Annual Deductible | | | | | | |
| You Only | \$1,500 | \$500 (Medical Only) | | | | |
| You + Any Dependents | \$3,000 | \$1,000 (Medical Only) | | | | |
| Annual Out-of-Pocket Maximu | m (including deductible, if app | olicable) | | | | |
| You Only | \$6,550 (includes medical and rx) | \$6,850 (includes medical and rx) | | | | |
| You + Any Dependents | \$13,100 (includes medical and rx) | \$13,700 (includes medical and rx) | | | | |
| Health Care | Provider Network: Cigna Open | Access Plus | | | | |
| Doctor Visits | | | | | | |
| In-Network | Plan pays 80% after deductible is met | \$30 PCP visit; \$30 specialist visit | | | | |
| Out-of-Network | Plan pays 60% after deductible is met | Plan pays 60% after deductible is met | | | | |
| Prenatal Care | Plan pays 80% after deductible is met | \$30 per visit | | | | |
| Hospital - Inpatient | | | | | | |
| In-Network | Plan pays 80% after deductible is met | Plan pays 80% after deductible is met; \$500 copay | | | | |
| Out-of-Network | Plan pays 60% after deductible is met | Plan pays 60% after deductible is met; \$500 copay | | | | |
| Other Services | | | | | | |
| Emergency Care | Plan pays 80% after deductible is met | 80% after \$200 copay (waived if admitted) | | | | |
| Urgent Care | Plan pays 80% after deductible is met | \$50 per visit | | | | |
| Retail Prescription Drugs | | | | | | |
| In-Network | Deductible, then: \$15 generic; \$30 preferred brand; \$45 non-formulary after deductible is met | \$10 generic; \$35 preferred brand; \$65 non-formulary | | | | |
| Mail-Order Prescription Drugs | | | | | | |
| In-Network | Deductible, then: \$30 generic; \$60 preferred brand; \$90 non-formulary after deductible is met | \$20 generic; \$70 preferred brand; \$130 non-formulary | | | | |

^{*}Generic diabetic medications are covered at 100% on the Cigna PPO Plan.

Kaiser Permanente HMO Plans

With the Kaiser Permanente HMO Plans, you can only use Kaiser Permanente health care providers and facilities for care. The table below reflects the amount you will pay for services. To enroll in the Kaiser Permanente HMO, you must live in their service area. To see a list of their locations, visit www.kp.org.

| Kaiser Permanente Plans (Regional) | | | | | |
|---|--|--|--|--|--|
| Plan Feature | Northern California HMO | Southern California HMO | | | |
| Annual Deductible | | | | | |
| You Only | None | None | | | |
| You + Any Dependents | None | None | | | |
| Annual Out-of-Pocket Maxim | um (including deductible, if app | olicable) | | | |
| You Only | \$3,000 | \$3,000 | | | |
| You + Any Dependents | \$6,000 | \$6,000 | | | |
| Health Care Provide | r Network: Kaiser Permanente F | acilities and Doctors | | | |
| Doctor Visits | | | | | |
| In-Network | \$20 PCP visit; \$30 specialist visit | \$20 PCP visit; \$30 specialist visit | | | |
| Prenatal Care | 100% covered (scheduled prenatal care and first postpartum visit) | 100% covered (scheduled prenatal care and first postpartum visit) | | | |
| Hospital - Inpatient | | | | | |
| In-Network | \$500 per admission | \$500 per admission | | | |
| Out-of-Network | N/A | N/A | | | |
| Other Services | | | | | |
| Emergency Care | ER: \$150 per visit (waived if admitted) Ambulance: \$150 per trip | ER: \$150 per visit (waived if admitted) Ambulance: \$150 per trip | | | |
| Urgent Care | \$20 per visit | \$20 per visit | | | |
| Retail Prescription Drugs (up to a 30 day supply) | | | | | |
| In-Network | \$10 generic; \$30 brand name; 20% off the retail cost (up to \$150) specialty | \$10 generic; \$30 brand name; 20% off the retail cost (up to \$150) specialty | | | |
| Mail-Order Prescription Drugs | (up to a 100 day supply) | | | | |
| In-Network | \$20 generic; \$60 brand name | \$20 generic; \$60 brand name | | | |



SIMNSA

If you work in San Diego, you will have access to SIMNSA medical and dental plan options in addition to the national plans offered at your property. The SIMNSA plans only provide coverage for services received in Mexico. To find out more about the SIMNSA medical and dental plans offered to you, see your People Services team.



Health Savings Account (HSA)

One of the benefits of choosing the Cigna CDHP medical plan is that you have access to a Health Savings Account (HSA).

A HSA is a team member-owned, triple taxadvantaged savings and investment account you can use to pay for your eligible medical, dental and vision expenses, now or in the future. The money in your account is 100% yours and rolls over from year to year - even if you leave or retire from Company ABC. Also, once your account balance reaches \$1,000, you can invest the money in your HSA and continue to grow your investment tax-free.

The HSA offers you a triple tax-advantage:

- You can contribute on a pre-tax basis
- The withdrawals you make to pay for qualified health care expenses are tax-free
- Any investment earnings are tax-free

Your HSA is funded when you contribute with pretax dollars from your paycheck. In 2023, the IRS annual contribution limit for the HSA is:

- \$3,850 when you cover only yourself on the Cigna CDHP medical plan
- \$7,750 when you also cover dependents on your Cigna CDHP medical plan

If you are age 55 or older, you can also contribute up to an additional \$1,000 in catch-up contributions to your HSA in 2023.

During the enrollment process, if you elect the Cigna CDHP medical plan, you will be given the option to contribute to the HSA. You can change your HSA election at any time during the plan year.

- To view your current account details, visit https://benefitslogin.wexhealth.com/Login. aspx?ReturnUrl=%2f
- Learn about eligible expenses at https://www. wexinc.com/insights/benefits-toolkit/eligibleexpenses/



Flexible Spending Accounts (FSA)

Flexible Spending Accounts (FSAs) allow you to set aside pre-tax dollars each year to pay for eligible health care and dependent daycare expenses. There are two types of FSAs:

- Health Care FSAs (that is, General Health Care FSA and the Limited Purpose FSA)
- Dependent Care FSA

When you participate in an FSA, you decide how much you'd like to contribute each plan year. You can enroll in an FSA even if you don't enroll in a medical or dental plan through Company ABC. FSA balances do not roll over from year to year, so estimate your expenses carefully to avoid forfeiting any unused contributions.

Health Care FSA

The Health Care FSA allows you to set aside pre-tax funds to pay for eligible medical, dental and vision expenses incurred on or before March 15, 2024, by you, your spouse or eligible dependents. You can contribute up to \$3,050 per plan year. You have until March 15, 2024 to use your Health Care FSA dollars.

Note: If you enroll in the Cigna CDHP medical plan, you are not eligible for the Health Care FSA, but you are eligible for the Limited Purpose FSA.

Limited Purpose FSA

This is a great option if you are enrolling in the Cigna CDHP medical plan with an HSA and anticipate having vision and dental expenses during the year. This account allows you to set aside additional pre-tax dollars to pay for those eligible out-of-pocket dental and vision expenses, and all of your funds are available upfront. You can contribute up to \$3,050 per plan year. You have until March 15, 2024 to use your Limited Purpose FSA dollars.

Note: Keep in mind that the Limited Purpose Health Care FSA cannot be used for medical or pharmacy expenses. So if you enroll and don't expect to have any/many dental or vision expenses, you'll lose any unspent funds in your FSA at the end of the year.

Dependent Care FSA

The Dependent Care FSA can be used to pay for child care up to age 13, or elder care while you are at work. You may contribute up to \$5,000 per plan year, per household.

Commuter Benefits

Commuter Benefits allow you to set aside pre-tax dollars to pay for expenses related to commuting to and from work for mass transit, vanpooling and work-related parking costs. This includes transit passes, tokens, fare cards, vouchers, parking passes and more. The 2023 IRS monthly contribution limit for mass transit and parking is \$300 per month. You can change your election at any point during the year and funds roll over year to year.

- Contact WEX at 866-451-3399 or by visiting https://benefitslogin.wexhealth.com/Login.gapx?ReturnUrl=%2f
- Learn about eligible expenses at https://www.wexinc.com/insights/benefits-toolkit/eligible-expenses/

Dental Plans

You can choose between two dental plans through Cigna, based on your needs. You can purchase a dental buy-up plan to expand your coverage to include things like major dental care and orthodontia. If you have any questions about your available coverage amount, please contact your People Services team.

| Do you want the maximum dental coverage? | Do you only need basic dental coverage? |
|---|--|
| Cigna Buy-Up PPO | Cigna DHMO* |
| Expansive dental network Pay more out of your paycheck Will need to meet a deductible for non-preventive services | Pay less out of your paycheck Limited dental network Varying set copays for dental services You must choose a network general dentist to manage your overall dental care Your network general dentist must refer you to a network specialist for some specialty care |

^{*}The Cigna DHMO Plan is not available at some locations, see your People Services team for details.

Note: If you work in San Diego, you also have the choice to elect the SIMNSA DMO dental plan. You must use doctors and facilities in the SIMNSA dental network if you choose to elect this plan. For more information, visit www.simnsa.com.

| Plan Feature | Cigna Buy-Up PPO* | Cigna DHMO** |
|--------------------------|---|--|
| Annual Deductible | \$50 individual / \$150 family | None |
| Calendar Year Maximum | \$2,000 per person | None |
| Office Visit Fee | N/A | \$5 per visit |
| Preventative/Diagnostics | 100% covered, no deductible | 100% covered |
| Basic Care | 80% | Amalgams: \$10-\$20 copay; resin-based Composite: \$15-\$90 copay Endodontics: up to \$325 copay Periodontics: up to \$265 copay |
| Major Care | 50% | Crowns/Bridges: up to \$255 copay Dentures: up to \$350 copay |
| Orthodontia | 50%, no deductible; \$1,500 lifetime maximum; available to both adults and dependent children up to age 19 | \$75-\$400 copay; 24 month treatment fee Children up to age 19; \$1,800 Adults: \$2,400 |

^{*}These are in-network benefits only; keep in mind that going out-of-network will be more expensive.

- View your current benefit elections, enroll or make changes through BenefitSolver
- Contact Cigna Dental at 1-800-244-6224 or www.cigna.com
- Find an in-network provider for the Cigna Buy-Up PPO or the Cigna DHMO at https://www.mycigna.com

^{**}Note: Children over age 13 may no longer see a pediatric dentist for care.

Vision Plans

To keep your eyes in check, we offer two vision options through VSP - the Core Plan (which is an employer-paid benefit and is included in your benefits package if you are enrolled in a Company ABC medical plan) and the Buy-Up Plan. You can visit any licensed provider, but you will save the most when you choose an in-network provider.

| Dlaw Factoria | VSP Co | re Plan | VSP Buy-Up Plan | |
|---|---|---|---|--|
| Plan Feature | In-Network | Out-of-Network | In-Network | Out-of-Network |
| Eye Exam | \$10 per exam, once every calendar year | Up to \$45 reimbursement per exam, once every calendar year | \$10 per exam, once every calendar year | Up to \$45 reimbursement per exam, once every calendar year |
| Contact Lens Exam (Fitting & Evaluation) | 15% off professional fees | Not covered | 15% off professional fees | Not covered |
| Lenses | 20% discount off complete pairs of glasses, including any lens enhancements | Not covered | 100%, one paid every calendar year | Reimbursement up to: Single: \$30 Bifocal: \$50 Trifocal:\$50 Lenticular: \$100 One pair every calendar year |
| Frames (instead of Elective Contact Lenses) | 20% discount off complete pairs of glasses, including any lens enhancements | Not covered | \$150 allowance, one paid every calendar year | Up to \$70 allowance, one paid every calendar year |
| Elective Contact Lenses (instead of Frames) | Not covered | Not covered | \$150 allowance for contact lens and contact lens exam (fitting and evaluation in lieu of glasses) | Up to \$150 reimbursement in lieu of glasses |
| Necessary Contact Lenses | Not covered | Not covered | 100% in lieu of glasses | Up to \$210 reimbursement in lieu of glasses |

- View your current benefit elections, enroll or make changes through BenefitSolver
- Contact VSP Customer Care at 1-800-877-7195
- Learn about discounts offered by VSP and find an in-network provider for the VSP Core Plan or VSP Buy-Up Plan at www.vsp.com.

Employee Assistance Program (EAP)

The Employee Assistance Program (EAP) is administered by HealthAdvocate/Unum and is a solution when you or your family needs extra support. EAP services are available to you and your family at no cost, 24 hours a day, 7 days a week. This service is completely confidential and provides you with up to three visits per issue at no cost to you.

You can use the EAP to address any issues you may be having, including but not limited to:

- Child care and parenting
- Helping aging parents
- Financial issues and planning
- Legal concerns
- Work and career
- Emotional wellbeing
- Addiction and recovery
- Wellness and prevention
- Life events

QUICK LINKS

Contact the EAP at 1-800-854-1446 or visit www.unum.com/lifebalance

Working Advantage Employee Perks Program

Working Advantage supports your personal and financial well-being through providing savings on:

- Electronics
- **Appliances**
- Apparel
- Cars
- Theme parks
- Flowers
- Fitness memberships
- Gift cards
- Groceries
- Hotels
- Movie tickets
- Rental cars
- Special events

QUICK LINKS

 To get started visit https://lowe-re. savings.workingadvantage.com



Non-Tobacco User Credit

Team members who attest to being tobacco-free will receive a \$40 monthly non-tobacco user credit that will be applied to your medical plan contributions each month.

To Qualify

You must declare that you have been tobacco-free for at least the past six months by logging into BenefitSolver and making the non-tobacco designation on the medical plan enrollment page. Please note, you can only make your non-tobacco designation when you first enroll, during open enrollment or if you experience a qualifying life event.

Life and AD&D Insurance

To keep you safe, no matter where life takes you, Company ABC provides Basic Group Term Life Insurance and Accidental Death & Dismemberment (AD&D) Insurance coverage to all benefits eligible team members. Additionally, if you'd like to purchase additional life insurance coverage for yourself or your dependents, you have the option of supplemental plans. Unum is the insurer and administrator.

Basic Life and Accidental Death & Dismemberment (AD&D Insurance)

Company ABC automatically provides you with Basic Group Term Life Insurance and AD&D coverage equal to one times your annual eligible salary, up to a maximum of \$100,000, at no cost to you.

Supplemental Life Insurance

You can choose to purchase Supplemental Employee-Paid Term life Insurance coverage for yourself and/or your dependents. Supplemental coverage is paid for on an after-tax basis and can be purchased for you in annual salary increments, up to five times for salary or \$700,000, whichever is less.

For your spouse, you can purchase coverage in \$10,000 increments up to \$350,000 (up to 50% of your combined basic life and optional life amounts, whichever is lower) and for your children, you can purchase either \$5,000 or \$10,000. Evidence of Insurability is required for supplemental life amounts in excess of \$100,000 for you; for amounts in excess of \$30,000 for your spouse when you are first eligible for Supplemental Life Insurance. Any late entrants are subject to Evidence of Insurability for any amount of coverage.

- View more details about your benefit options through BenefitSolver
- Contact Unum at 1-800-421-0344
- View and update your beneficiary designations through BenefitSolver

Short-Term Disability and Long-Term Disability Bene its

If you become sick or injured and are unable to work, Company ABC provides Short-Term Disability (STD)* and Long-Term Disability (LTD) to supplement a portion of your income, at no cost to you. This coverage is offered through Unum and is provided to all benefits eligible team members.

- STD will cover 60% of your income, up to \$1,385 weekly, for up to 26 weeks (after a 7 day elimination period)
- LTD will cover 60% of your income up to \$10,000 monthly for most team members

Critical Illness Insurance

You can choose to purchase additional coverage in case you or a dependent suffers from a covered critical illness, such as cancer, heart attack, stroke, coronary artery bypass, kidney failure, Alzheimer's disease or a major organ transplant. You can choose to purchase coverage of either \$15,000 or \$30,000 with a benefit maximum of 500% of the initial benefit. When you enroll in Critical Illness coverage, you are eligible to receive a health screening benefit of \$50 or \$100!

For a full list of covered critical illnesses, please review the plan document.

Accident Insurance

Protect yourself from the unexpected. If you choose to enroll in the Cigna CDHP with HSA plan, you may want to consider purchasing additional coverage in case of accidental injury. This insurance can fill the gap between your deductible and coinsurance. If enrolled and you have an accident, this insurance will provide you with flat payments for the accidental injury that can help to cover your medical bills or expenses not fully covered by your health insurance. When you enroll in Accident Insurance, you are eligible to receive a health screening benefit of \$100!

Accident Insurance Example:

Kathy is a Company ABC team member, and her daughter, Molly, plays soccer. Molly had an accident during a recent game. Here's how her medical bills quickly added up.

Luckily, Kathy enrolled in Accident Insurance through MetLife. Through the plan, she was able to get a lump sum payment totaling \$1,350 to help cover the cost.

| Covered Event | Benefit Amount |
|--------------------------------------|----------------|
| Ambulance (ground) Emergency Care | \$300 \$100 |
| Physician Follow-Up (\$75 x 2) | \$150 |
| Medical Testing | \$200 |
| Concussion | \$400 |
| Broken Tooth (repaired by crown) | \$200 |

\$1,350

Contact MetLife to learn more about Critical Illness and Accident Insurance at 1-800-438-6388 or visit <u>www.metlife.com</u>

^{*}The Short-Term Disability benefit (STD) is not available for those who work at a California or Washington location. If you have questions, please contact a member of your People Services team.

Legal Insurance

ARAG legal insurance provides legal representation to you and your dependents whenever you need it. Regardless of enrollment, all team members receive access to ARAG's online Education Center, at no cost, for help navigating specific legal matters. There are two legal plan levels available: UltimateAdvisor and UltimateAdvisor Plus.

UltimateAdvisor® offers a blend of quality coverage and affordability to address everyday personal legal matters. Attorney fees for most covered legal matters are 100% paid-in-full when team members work with an in-network attorney, unless otherwise indicated in plan details.

UltimateAdvisor Plus[™] offers the same coverage availble in the UltimateAdvisor plan, plus additional enhancements such as:

- Uncontested and contested divorce
- Child support, custody and visitation
- Alimony
- Supplemental legal coverage of up to 4 hours per year from an in-network attorney for matters not already covered.
- Tax services
- Criminal misdemeanor
- Services for parents/grandparents
- Financial education and counseling

*Coverage for some services are limited to a certain number of hours per year. Please refer to the plan documents for more detailed information.

Identity Theft Protection

Get advanced identity protection through Allstate Identity Protection, to help identify potential identity threats. Should fraud or identity theft occur, their in-house Privacy Advocates are available 24/7 to fully restore your compromised identity, even if it occured prior to enrollment. Your Allstate Identity Protection Pro Plus plan benefits include, but are not limited to:

- Comprehensive identity monitoring
- Credit, dark web, social media and high-risk transaction monitoring
- Online credit disputes
- Lost wallet protection
- Stolen fund, 401(k) and HSA reimbursement
- Tax fraud refund advance
- Unlimited TransUnion credit reports and scores, plus an annual tri-bureau report and score
- Data breach notifications
- Senior family coverage for parents, in-laws and grandparents ages 65+
- Social media monitoring

Pet Insurance

Cover your dog, cat, bird, reptile or other exotic pet for veterinary expenses related to accident or illness through Nationwide Pet Insurance. Get coverage for the use of any vet, 24/7 Vet Helpline access, accidents, poisonings, allergic reactions, broken bones, serious illnesses, surgeries and more! You also have the option to add wellness services, including exams, heartworm testing and blood tests to your coverage.



Planning for Your Financial Future - 401(k)

At Company ABC, we want to help you not only thrive today, but into your retirement too. With help from the Profit Sharing & Savings Plan administered by Fidelity, you have the opportunity to save for your future in a convenient way.

You are eligible to make pre-tax or Roth contributions to the 401(k) plan the first calendar quarter after you have completed six months of service and you are at least age 21. If you have satisfied the eligibility requirements, Company ABC will match your contributions 100% up to 3% of your eligible pay and 50% on the next 2% of your eligible pay. Any matching contributions are 100% vested.

Think about your financial goals - and how the opportunity to save more or plan for retirement income can help you reach your goals. Visit www.401k.com to learn more about the plan, and to access helpful tools and resources.

QUICK LINKS

• Contact Fidelity at 1-888-503-7526 or visit www.401k.com

Adoption Reimbursement

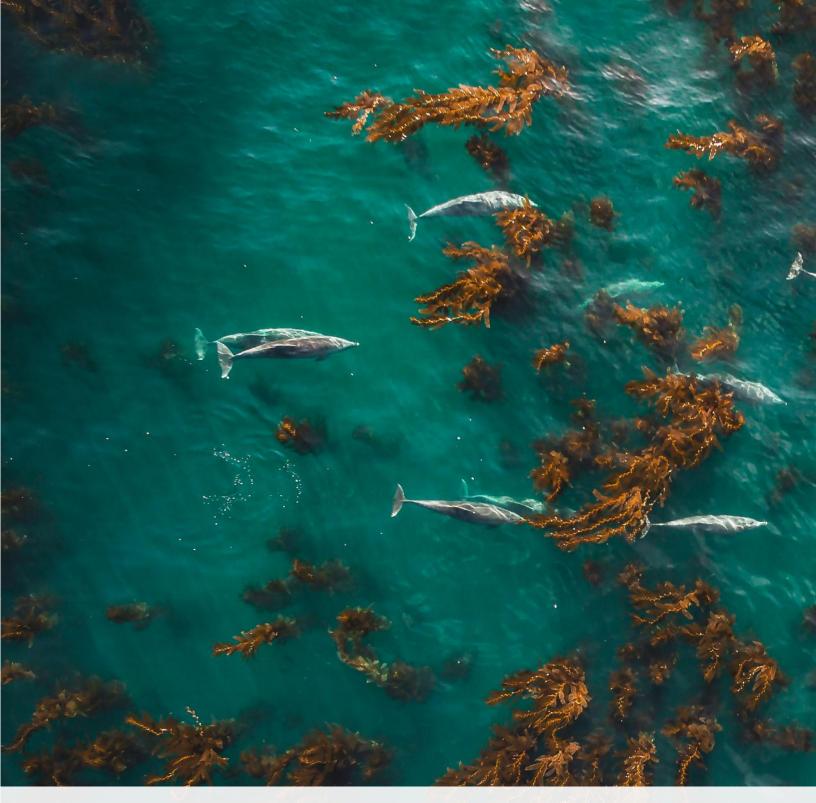
Adoption reimbursement assistance is available to all team members who have worked at least 1,250 hours over the past 12 months. The reimbursement amount of \$2,500 is paid through payroll and taxed at the normal income rate. The full adoption reimbursement program is available in BenefitSolver.

Team Member Room Rate Program

All active Company ABC team members are eligible for the Team Member Room Rate Program. Team member spouses, domestic partners, parents, parents of spouse/domestic partner, children and siblings are all eligible for the team member discounted rates. Team member rates vary per brand/tier. Program details are available in BenefitSolver.

Important Contacts

| PLAN | VENDOR | POLICY NUMBERS | WEB ADDRESS | PHONE |
|---|-----------------------------|---|--|--|
| CDHP w/ HSA Plan PPO Plan | Cigna | 3207276 | www.mycigna.com | 1.888.806.5042 |
| Kaiser Permanente HMO | Kaiser Permanente | CO: 35888 Northern CA: 38173 Southern CA: 227812 | www.kp.org | CO: 1.303.338.3800 or TTY 711 Northern/Southern CA: 1.800.464.4000 or TTY 711 |
| SIMNSA Medical and Dental Plans | SIMNSA | 316 | www.simnsa.com | 1.800.424.4652 |
| Employee Assistance Plan | Health Advocate/ Unum | N/A | https://www.unum.com/ employees/services/life- balance | 1.800.854.1446 |
| Employee Perks Program | Working Advantage | N/A | https://lowe-re.savings. workingadvantage.com | 1.800.565.3712 |
| MDLive Telemedicine & Telebehavioral Health | Cigna | N/A | www.mycigna.com | 1.888.726.3171 |
| Dental Buy-Up PPO and DHMO | Cigna | PPO: 3207276 DHMO: 3207276 | www.mycigna.com | 1.800.244.6224 |
| Vision Core and Buy-Up Plans | VSP | Core: 30010400 Buy-Up: 30010400 | www.vsp.com | 1.800.877.7195 |
| Health Savings Account (HSA) | WEX | N/A | https://www.wexinc. com/login/benefits- login/ | 1.833.225.5939 |
| Flexible Spending Accounts (FSA) | WEX | N/A | https://www.wexinc. com/login/benefits- login/ | 1.833.225.5939 |
| 401 (k) Plan | Fidelity | 09008 | www.401k.com | 1.800.347.2673 |
| Life, Disability, AD&D Insurance | Unum | Life/AD&D: 569273 STD/LTD: 518331 | www.unum.com | 1.800.421.0344 |
| Critical Illness and Accident Insurance | MetLife | 0162586 | www.metlife.com | 1.800.438.6388 |



The information in this guide provides general overviews of the benefits that will be offered to eligible employees in 2023. Company ABC may terminate, withdraw or modify any benefit described in this guide, in whole or part, at any time and for any reason. If there is a discrepancy between this guide and the official plan documents, the plan documents will govern in all cases. Important notices and information about your benefits are available at People Services.







MAXIMIZE YOUR HEALTH CARE

At Big 5 Sporting Goods, we are proud of the supportive culture we have created that focuses on the wellbeing of you and your family. Our goal is to offer comprehensive, competitive, and affordable health care options that meet your needs.

- Medical benefits (including a Consumer-Driven Health Plan and Health Savings Account)
- Telemedicine
- Dental benefits
- Vision benefits

VALUABLE EMPLOYEE PERKS

We also provide benefits with your total health in mind to keep you healthy and fit in all areas of life. As a valued employee, you receive:

- Discounts on retail purchases at our stores
- Discounts on gym memberships
- Vacation and other paid time off
- Discounted concert, movie, or sporting event tickets
- Educational, computer, or mobile phone discounts
- Education reimbursement

Big 5 Sporting Goods provides the following benefits at no cost to you:

- Basic Life insurance
- Employee Assistance Program

Big 5 Sporting Goods is pleased to contribute toward the cost of the following plans:

- Medical & Prescription insurance
- Dental insurance
- Long-Term Disability insurance
- 401(k) plan

Big 5 Sporting Goods provides access to additional valuable benefits:

- Vision insurance
- Voluntary Term Life insurance
- Short-Term Disability insurance
- Healthy Paws Pet insurance



Dear Big 5 Sporting Goods Employee,

You are an integral part of our team here at Big 5 Sporting Goods. The work you do every day to serve our customers and our company makes a difference. In recognition of your dedication and commitment to our success, the Company makes significant contributions toward your overall compensation package.

This personalized Total Compensation Statement shows the full value of your compensation package is much greater than your salary alone. It demonstrates the importance we place on providing meaningful benefits for your total health – both physical and financial.

Please take the time to review this information and share it with your family. We hope this information provides you with a clear picture of the value of our benefits program, and we sincerely thank you for the contributions you make each and every day.

If you have questions, please contact Human Resources at (310) 536-0611, ext. 5122 or at benefits@big5corp.com.

Employee Name 10815 Rancho Bernardo Rd San Diego, CA 92127

TAKE CONTROL OF YOUR HEALTH CARE DOLLARS

The Aetna CDHP is designed to put you in the driver's seat of your medical benefits. The CDHP is paired with a Health Savings Account (HSA), which provides tax savings for your health needs now and in the future.

All the Benefits without the Taxes

The HSA offers many advantages for you and your family:

- Contributions are made with pre-tax dollars, which reduces your taxable income.
- When HSA dollars are used for eligible health care expenses, they are tax-free.
- HSA funds can be invested and earn interest tax-free.
- You can change or stop your contributions at any time throughout the year.
- HSA balances roll over from year to year; there's no "use it or lose it" rule.
- Your HSA funds are portable and go with you, even if you change companies or retire.













\$93

TOTAL COMPENSATION STATEMENT

for EMPLOYEE NAME

Your total compensation includes your salary, paid time off, health insurance, retirement savings and other benefits that reward you throughout your career and assist you during retirement. The tables below show your annual salary and vacation time based on your status as of June 30, 2020, and the estimated cost of your benefits during the period July 1, 2020 thru June 30, 2021.

Cash Compensation

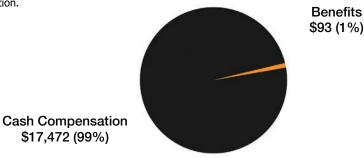
Annual Salary \$17,472

| Benefit Plans | Your* Contribution | Big 5's* Contribution |
|--------------------------|-----------------------|--------------------------|
| Medical, Dental & Vision | \$0 | \$0 |
| Profit Sharing | \$0 | \$93 |
| Total Benefits | | \$93 |
| Regular Salary (above) | | + \$17,472 |
| YOUR TOTAL COMPENSATION | | \$17,565 |

^{*} Contributions cover the period from July 1, 2020 to June 30, 2021.

Your Total Compensation Summary

This pie chart illustrates the estimated contribution Big 5's benefits make to your total compensation.



Your 401(k) Plan

Big 5's Savings and Profit Sharing Plan provides a foundation for building retirement income. Big 5 matches 50% of the first 4% of your eligible contribution up to the annual amount allowable by the IRS. Employees 21 years of age and older are eligible to participate once they have completed 90 days of continuous service.

For 2021, you can save up to \$19,500 on a pre-tax basis. And if you are 50 or older in 2020 you can contribute a catch-up contribution of \$6,500 for a combined maximum of \$26,000.

You are not currently participating in the 401(k) Plan. Take a look at Fidelity's examples below to see how participating in the 401(k) Plan might help prepare you for retirement.

| Look at the potential growt | ook at the potential growth if you contribute \$100 each month * | | | | |
|-----------------------------|--|-------------|--|--|--|
| | in 10 years | in 20 years | | | |
| Start today | \$17,409 | \$52,397 | | | |
| Start 5 years from today | \$7,201 | \$31,881 | | | |

| Now look at the difference if you were to contribute \$200 each month * | | | |
|---|-------------|-------------|--|
| | in 10 years | in 20 years | |
| Start today | \$34,819 | \$104,793 | |

^{*} These examples are estimates only and assume that the employee remains employed and contributes at the beginning of each month, that the annual rate of return is 7% for the specified period and all earnings are reinvested, that no withdrawals take place during the specified period and that the participant remains 100% vested.

Profit Sharing Component

On March 29, 2021, Big 5 made a Profit Sharing contribution into it's 401(k) Plan for all eligible employees for the 2021 year.

Profit Sharing contributions by Big 5 are discretionary and dependent on the company's annual performance. Contributions are deposited to your investment mix, if one has been set-up, or a Freedom Fund based on your age. For more information about your account and investment options, please contact Fidelity at 1-800-835-5098 or online at netbenefits.401k.com.

On March 29, 2021, your Profit Sharing contribution was:

of reporting can be subject to errors in data collection, calculation or interpretation.

The information in this statement is based upon your salary and benefits in effect between July 1, 2020 and June 30, 2021. Recent changes in salary and/or benefit elections may not be reflected here. Although every effort has been made to report information accurately, this type

BE RETIREMENT READY

Big 5 Sporting Goods encourages you to save for your future through contributing to the 401(k). Setting aside money now for your retirement allows you to reduce the amount you pay in income taxes while building income for your retirement years. Big 5 Sporting Good is pleased to offer a company match of 50% of the first 4% of your contribution, so you can build your nest egg faster.

Maximize Your Retirement Savings

The key to a successful retirement is to start saving now! You can set aside up to the IRS maximum, and if you are age 50 or over, you can make a catch-up contribution. Follow these tips to stay on the right financial path:

- Begin saving as soon as possible, even if it is only a small amount.
- Make setting aside money for retirement a habit.
- Understand investment returns may fluctuate.
- Let it sit. Avoid penalties by leaving funds in your 401(k) until retirement.
- Keep the Rule of 72 in mind.

What is the Rule of 72?

The Rule of 72 is a simple way to estimate how long an investment will take to double given a fixed annual rate of return. Divide 72 by the annual rate of return to get an approximate number of years it will take for the initial investment to double.

Building Better Health Together

MGH's Wellness @ Work – Let Worksite Wellness Work for YOU!

Our Wellness @ Work program strives to promote a healthier lifestyle for employees by supporting the adoption of healthy habits and attitudes. Each quarter, you have the opportunity to receive an Amazon gift card for completing wellness activities!

Online and Mobile Wellness Tools and Resources

We partnered with Asset Health to provide online and mobile access to wellness tools and resources such as:

- ... Personal health assessment (PHA)
- ... Wellness challenges and competitions
- ... Online courses
- ... Health coaching
- ... Activity and incentive tracking
- ... Online calendar of events

Additional information about our wellness programs is available on the MGH Wellness @ Work intranet page or visit www.assethealth.com/MGH.

If you have any questions, contact Wellness @ Work at mghwellness@maringeneral.org or call 415-925-7039.

Onsite Health & Fitness Activities

You can participate in a variety of wellness activities at work to promote fitness, relaxation, stress management, healthy eating, and overall well-being. These programs include:

- ... Weekly yoga and Zumba classes
- ... Group wellness walks
- ... Weekly onsite chair massage
- ... Health challenges
- ... Healthy Weight for Wellness
- ... Twice monthly pilates
- ... Lunch N Learn: Educational Classes
- ... Monthly Blood pressure screening and healthy recipes
- ... Biometric Screenings
- ... And much more!

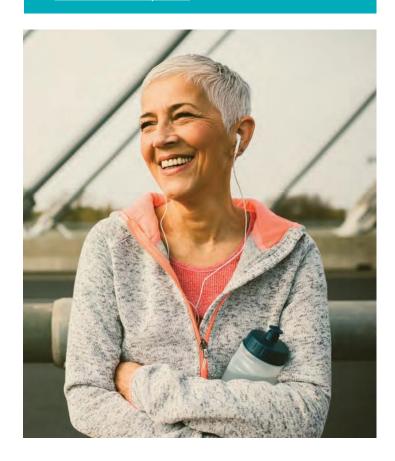
Mind, Body, Spirit

Overall wellness is taking care of your mind, body, and spirit at work and at home. The Anthem Employee Assistance Program (EAP) offers free phone and face-to-face counseling when and where you need it.

If you or a family member is facing grief or needs help managing a stressful life situation, the EAP is there to help. You also receive access to:

- ... Legal advice
- ... Financial consultations
- ... Dependent care referrals
- ... Relationship tips
- ... Addiction recovery
- ... Parenting resources
- ... And more!

Call 800-999-7222 or find helpful resources online at www.anthemeap.com.





Total Compensation Statement



A Note from Our CHRO

Marin General Hospital recognizes that in order to exceed our patient's highest expectations, we must attract and retain the best employees. Your hard work and dedication is our greatest asset and we appreciate you.

We are committed to providing a compensation package featuring competitive pay and comprehensive benefits designed to provide you and your family with the security and financial resources you need in today's marketplace. We are pleased to report that our 2020 Employee Engagement survey places in the 97th percentile of our competitive set for excellence in total compensation. Thank you for acknowledging our efforts to provide you with an excellent overall package.

This 2020 Total Compensation Statement is tailored specifically to you and illustrates the overall value of the pay and benefits you receive from MGH.

Please take a moment to review your statement carefully and keep it with your personal records. If you have any questions or require any additional information, please contact Benefits in our Human Resources department at 415-925-7040 or benefits@maringeneral.org.

Thank you for all you do to make MGH such a special place. With your continued dedication and commitment, we look forward to continuing to foster a work environment where people care for themselves and each other so that we all provide exceptional patient care!

Sincerely,

Linda Lang

Chief Human Resources Officer





Marin General Hospital is pleased to offer you a competitive and valuable benefit package. MGH pays the majority of the cost of health benefits for eligible employees and their dependents. A summary of the benefits provided are outlined in our Employee Benefits Guide. The guide is located on the employee Intranet.

If you have questions about benefits enrollment, eligibility or the programs currently offered, please don't hesitate to contact the Benefits/HR team at benefits@maringeneral.org or 415-925-7040.

2020 TOTAL COMPENSATION

for EMPLOYEE NAME

Cash Compensation

 Base Pay
 \$36,738

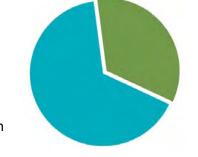
 Other Pay
 \$24,716

 Total Cash Compensation
 \$61,454

| Benefit Plans | Your Contribution | MGH's Contribution |
|--|--|---|
| Medical, Dental, & Vision Basic Life and AD&D Insurance Supplemental Life and AD&D Insurance Long-Term Disability Social Security & Medicare Tax | \$0 \$0 \$150 \$73 \$4,780 | \$27,160 \$24 \$0 \$0 \$4,780 |
| Total Benefits | \$5,003 | \$31,964 |
| Total Cash Compensation (above) | | + \$ <u>61,454</u> |
| YOUR TOTAL COMPENSATION | | \$93,418 |

Your Total Compensation Summary

This pie chart illustrates the estimated contribution MGH's benefits make to your total compensation as of 12/31/2020.



Benefits \$31,964 (34%)

Cash Compensation \$61,454 (66%)

Your 2018 Health, Income Protection & Lifestyle Benefits*

| Medical | Dental | Vision |
|----------------------------|-----------------------------|------------------------------|
| Employee & Dependents | Employee & Dependents | Employee & Dependents |
| Enrolled | Enrolled | Enrolled |
| Basic Life and AD&D | Supplemental Life Insurance | Supplemental AD&D Insurance |
| \$25,000 in coverage | Employee and Child(ren) | Employee Only |
| · · · | Enrolled | Enrolled |
| Long-term Disability (LTD) | Flexible Spending Accounts | Voluntary Benefits |
| Voluntary LTD | Not Enrolled | Accident Ins., Critical III. |
| Enrolled | | Enrolled |

^{*}To view your enrollment elections, log onto the MGH benefit enrollment website at www.maringeneral.org/benefits (company code: mgh)

Retirement Benefits

Marin General Hospital Pension Plan

Your Cash Balance Pension Plan is completely funded by Marin General Hospital. Your pension eligibility and entitlements are based primarily on your pensionable hours, pensionable pay and years of service; please refer to the Retirement Plan Document for further details on how your pension benefit is calculated. Detailed pension statements are distributed annually and provide eligible participants an estimate of their pension account balance or accrued benefit. For more information about pension benefits, please contact the Benefits/HR team at benefits@maringeneral.org or 415-925-7040.

If you are vested, you are eligible to receive your cash balance benefit after termination of employment. Unless you elect otherwise, your cash balance account will be paid to you as an annuity, and the type of annuity will be determined by your marital status when benefits start. Or you can elect to receive your cash balance benefit as a lump sum. But if you are married, your spouse must provide his or her written, notarized consent to your lump sum election if your cash balance benefit is valued at more than \$5,000.

The year-end total amount in your Cash Balance Pension Plan is \$16,460 and you are 100% vested as of 12/31/2020.

Projected Future Value of Your 403(b) Retirement Account

403(b) Retirement Account

The 403(b) Retirement Plan is a tax-deferred investment program available through Lincoln Financial Group. The Plan is an optional financial investment program designed to help you save for retirement and reduce your tax liability. You make contributions to your account through payroll deductions and your contributions are 100% vested. For more information about your year-to-date account balance, or changing your per pay period contribution, please contact Lincoln Financial at 800-234-3500 or visit www.LincolnFinancial.com.

In 2020, you contributed \$1,250 to the 403(b) Retirement Plan, bringing your account balance as of 12/31/2020 to \$7,245.

The following chart illustrates how your retirement balance might grow based on the assumption of a 3% rate of return and that you continue to make the same contribution each year as you did in 2020. Please note these estimates are for illustrative purposes only and should not be considered a guarantee of future benefits or account values. No investment is without risk. To establish an investment profile that fits your needs, please contact Lincoln Financial Group or your personal investment advisor.

Did You Know?

- You can contribute a maximum of \$19,500 to your 403(b) account in 2021.
- At age 50 you can contribute an additional \$6,500 to your retirement account per year.



Although we have made every effort to provide you with precise information and an accurate reflection of your benefits under the Plan, we cannot guarantee complete accuracy. If there is a difference between the benefit estimate on this statement and the benefit provided under the Plan, your benefit will be determined under the plan document.

Value-Added Benefit Highlights

Please refer to your Benefits Guide for details.

Profit Sharing Plan

The Profit Sharing Plan provides eligible employees with a discretionary pre-tax contribution based on a percentage of eligible wages. Contributions will vest over 5 years.

CollegeAmerica 529 College Savings Account

The Virginia College Savings Plan's CollegeAmerica Plan is a tax-advantaged account that allows you to save for educational expenses for yourself or a beneficiary of your choice. This plan is administered directly through the provider.

Tuition Reimbursement Benefits

You may qualify for reimbursement of tuition, lab fees, books, and other related expenses through our Tuition Reimbursement program on successful completion of eligible job-related continuing education through a college or vocational school.

Employee Assistance and Health Advocate Programs

When you or members of your household need help navigating the healthcare system or with personal challenges you face, Health Advocate provides access to professional support services at no cost to you.

Additional Benefits

Employee discounts, access to online training, referral bonus programs, and more can be found on PashaNet and through Pasha's Cornerstone portal.



The Pasha Group provides the following benefits at no cost to you:

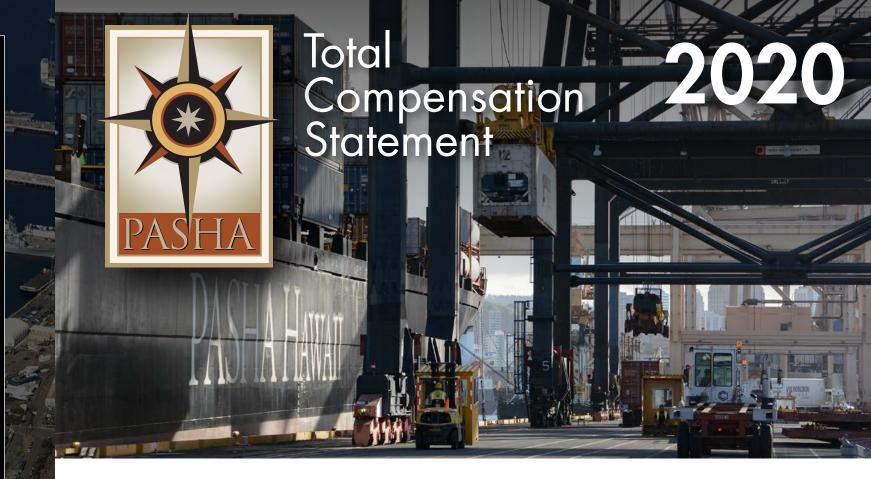
- Basic Life and AD&D Insurance
- Short-Term Disability Insurance
- Long-Term Disability Insurance
- Employee Assistance / Health Advocate Program
- Profit Sharing Plan

The Pasha Group is pleased to contribute towards the cost of the following plans:

- Medical and Prescription Insurance
- Dental Insurance
- Vision Insurance

The Pasha Group provides access to additional benefits with tax-advantaged programs and group rates:

- 401(k) Plan
- Commuter Benefit
- Flexible Spending Accounts
- Will and Legal Document Assistance
- Travel Assistance
- Voluntary Term Life Insurance
- Long Term Care Insurance
- Voluntary Accident and Critical Illness Benefits



Dear Team Members:

At The Pasha Group Family of Companies, our core values have set a solid foundation for driving our company's growth and culture since the company was founded in 1947. We've put forth a focus on Excellence, Honesty & Integrity, Innovation, and Teamwork, and appreciate your commitment to exemplifying these values as we look ahead to the next 70 years of success. We believe that our employees are our greatest asset. As such, our commitment to you includes providing a well-rounded, competitive compensation and benefit package. To remind you of the elements of this package, Pasha is pleased to provide this personalized Total Compensation Statement.

As you review your statement, you will see the total value of your compensation at Pasha, including pay and benefits such as, health insurance, paid time off, and retirement. I encourage you to review your statement carefully. If you have any questions or would like additional information, please contact the Human Performance Benefits Team at benefits@pashanet.com.

Thank you for your continued dedication to The Pasha Group and the customers and communities we serve.

Best regards,

George Pasha, IV President & CEO

> Employee Name 10815 Rancho Bernardo Rd San Diego, CA 92127

Garge Pash

2020 TOTAL COMPENSATION STATEMENT

for EMPLOYEE NAME

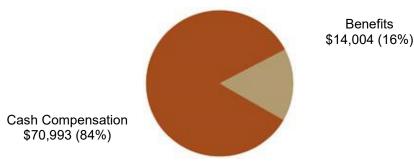
Your total compensation includes your regular salary, paid time off, health insurance, retirement savings and other benefits that reward you throughout your career and assist you during retirement. The tables below show your 2020 cash compensation and the annual value of your benefits as of December 31, 2020.

| Cash Compensation | |
|------------------------------------|---------------------|
| Regular Salary | \$68,429 |
| Paid Time Benefits and Adjustments | \$114 |
| Annual Bonus | \$2,000 |
| Cell Phone Stipend | \$450 |
| Total Cash Compensation | \$70,993 |

| Benefit Plans | Your Contribution | AKM's Contribution |
|-------------------------------------|----------------------|-----------------------|
| Medical | \$804 | \$9,555 |
| Health Savings Account | \$2,040 | \$1,200 |
| Dental | \$168 | \$476 |
| Vision | \$0 | \$105 |
| Basic Life and AD&D Insurance | \$0 | \$377 |
| Voluntary Life Insurance - Employee | \$720 | \$0 |
| Short-term Disability (STD) | \$0 | \$243 |
| Long-term Disability (LTD) | \$0 | \$226 |
| Profit Sharing Contribution | \$0 | \$1,822 |
| Pre-tax 401(k) Contribution | \$3,350 | \$0 |
| Total Benefits | \$7,082 | \$14,004 |
| Total Cash Compensation (above) | | + \$70,993 |
| YOUR TOTAL COMPENSATION | | \$84,99 7 |

Your Total Compensation Summary

This pie chart illustrates the estimated contribution AKM's benefits make to your total compensation.



Akamai Vessel Operations, LLC offers The Pasha Group 401(k) Profit Sharing Plan (the Plan) to help you develop the savings necessary to make your retirement years a time of comfort and fulfillment. Regular employees are eligible to contribute to the Plan on the first of the month following one month of eligible service. The Plan includes both pre-tax and Roth post-tax salary deferral options. Please see the Summary Plan Description for more information about the Plan's features, including vesting, eligibility and auto-enrollment.

Planning for Your Retirement

401(k) & Profit Sharing Plans

You may invest up to 75% of your income - up to IRS limits - in a variety of funds offered through the Plan. Contribution limits apply to the combined total of pre-tax and Roth/post-tax salary deferrals.

In addition to salary deferrals, eligible employees may receive an additional discretionary Profit Sharing contribution from The Pasha Group each year, subject to a five-year vesting schedule. Profit Sharing contributions are made on a pre-tax basis, and are not subject to salary deferral limits.

Both salary deferrals and Profit Sharing contributions are invested in your Plan account according to your direction. If you do not provide investment direction, the Plan provides a Qualified Default Investment Alternative (QDIA), which is a Target Date fund designed to provide a balance of investments that evolve as you draw closer to retirement. For more information about the Plan's investment options, contact the Human Performance team or the Plan's Recordkeeper, Voya Retirement Services, at (800) 584-6001 or online at https://voyaRetirement.voya.com.

■ Your 2020 401(k) total contribution:

\$3,350

You are always 100% vested in your own contributions and vesting in AKM's 2020 Profit Sharing contribution:

\$1,822

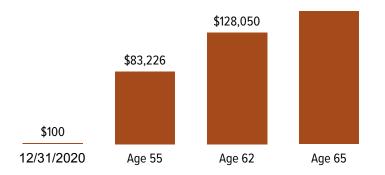
You are always 100% vested in your own contributions and vesting in AKM's Profit Sharing contributions occurs over a 5 year period.

Your Retirement Savings: Harnessing the Power of Time

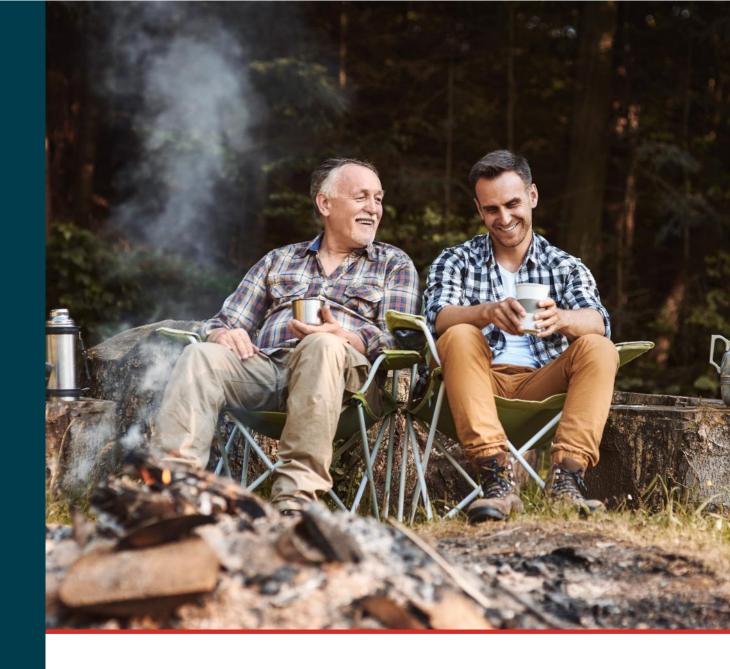
The following chart illustrates how the retirement balance might grow for someone who begins contributing \$100 each month starting at age 25, assuming a 5% rate of return annually. Please note these estimates are for illustrative purposes only and should not be considered a guarantee of future benefits or account value. Remember that no investment is without risk.

Did you know?

- You can contribute a maximum of \$19,500 to your 401(k) account in 2020.
- At age 50 you can contribute an additional \$6,500 to your retirement account per year.



\$152,602



MENTAL HEALTH RESOURCES

BENEFITS TO SUPPORT YOUR MENTAL WELL-BEING

GUIDANCERESOURCES

YOUR EMPLOYEE ASSISTANCE PROGRAM

Free, Confidential Support

ABC Company is committed to the well-being of all of our employees. If you or a loved one is struggling with any mental health concerns, consider reaching out to GuidanceResources.

GuidanceResources offers you a variety of services to help support your mental well-being with issues relating to:

- Marriage and relationships
- Child care
- Addiction
- Emotional well-being
- Stress and anger management
- & more!

You can speak to an EAP counselor 24 hours a day, including holidays. GuidanceResources is completely confidential. DCP does not receive any information about who is contacting GuidanceResources.

Go online: www.guidanceresources.com / Web ID: DCPMidstream

Phone: 1.833.962.0707 Mobile app: GuidanceNow



WHAT IS AN EMPLOYEE ASSISTANCE PROGRAM



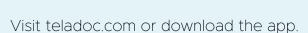
TELADOC

VIRTUAL BEHAVIORAL HEALTH

Virtual Counseling with Online Therapists and Psychiatrists

Connect to a mental health professional in minutes by phone or video to assist with any issues relating to:

- Stress and anxiety
- Depression
- Grief
- & more!





HEALTH PLAN BENEFITS

MENTAL HEALTH BENEFITSSupport Through Your Health Plan

ABC Company provides access to mental health office visits for the same cost as a traditional office visit.

- HSA Plan: 20% coinsurance for inpatient and outpatient services
- PPO Plan: \$25 copay for outpatient services / 20% coinsurance for inpatient services



Benefit Vendor Contact Information

| Benefit Plan | Vendor | Website | Phone Number |
|---|-------------------------|---|---|
| Medical Plan Options | AmeriBen | www.MyAmeriben.com | 1.855.258.2651 New Mexico Members: 1.866.438.0147 |
| Medical Plan Option (Houston Only) | lmagine Health | https://my.imaginehealth.com | 1.866.955.1493 |
| Prescription Drug Savings | RxSavings Solutions | www.rxss.com | Download the App for iOS or Android |
| Dental Plans | MetLife | www.metlife.com | 1.877.638.3379 |
| Vision Plan | VSP | www.vsp.com | 1.800.877.7195 |
| Health Savings Account | Optum | www.optumbank.com | 1.866.234.8913 |
| Flexible Spending Accounts | Optum | www.optumbank.com | 1.800.243.5543 |
| Life and Disability | Lincoln Financial Group | www.lfg.com | 877.275.5462 |
| 401(k) Plan | Vanguard | www.vanguard.com | 1.800.523.1188 |
| Employee Assistance Program | GuidanceResources | guidanceresources.com (Web ID: DCPMidstream) | 833.962.0707 |
| Wellness Program | Virgin Pulse | First time user: join.virginpulse.com/dcp Registered users: member.virginpulse.com | |
| Telemedicine | Teladoc | teladoc.com | Download the App for iOS or Android |
| Surgery Network | SurgeryPlus | DCPMidstream.SurgeryPlus.com (Access Code: SurgeryPlus) | 844.752.6171 |
| Virtual Physical Therapy | Hinge Health | hingehealth.com/DCP | 855.902.2777 |
| Cancer Care | Cancer Expert Now | Email: DCPMidstream@onviv.vom | 1.833.461.1866 |
| Accident, Critical Illness and Hospital Indemnity Insurance | MetLife | mybenefits.metlife.com/DCP | N/A |
| Legal Insurance | MetLife | info.legalplans.com | 800.821.6400 |
| Financial Wellness | SmartDollar | smartdollar.com | Download the App for iOS or Android |
| DCP Perks | Beneplace | dcpmidstream.savings.beneplace.com | N/A |



2022 Teammates Benefits Package

We know our dedicated employees are key to our overall success as an organization.

Our goal is to support you by providing a comprehensive benefits package to help you reach your physical, financial and mental health goals.

Physical Well-Being

- Medical Insurance Plans
- Prescription Drug Insurance
- Telemedicine
- Dental Insurance
- Vision Insurance

- ClassPass Membership
- Expecting Mothers Program
- Cancer Awareness Program
- Personalized Care Advocates

Financial Well-Being

- Health Savings Account
- Flexible Spending Accounts
- Commuter Benefits

- 401(k) Retirement Savings
- Disability Insurance
- Tuition Reimbursement Program

Mental Well-Being

- Paid Time Off
- Employee Assistance Program

- Tele-Behavioral Health
- Employee Recognition Program

If you're interested in learning more about the 2022 Benefits Package, contact your local HR Support Team.



LEAVE AND ABSENCE CONSULTING

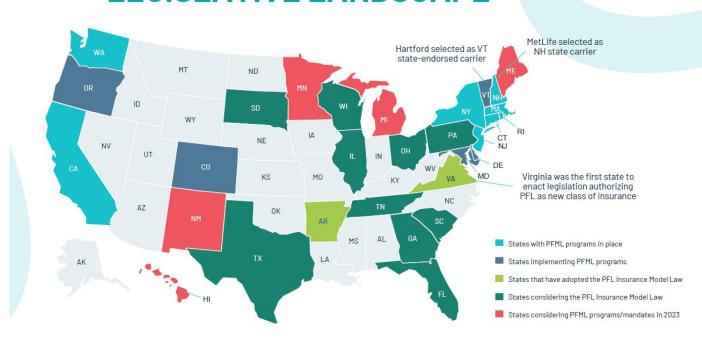
The Evolving Leave Landscape

- Approximately 15 states will require employers to provide paid family and medical leave by 2024
 - Several more have pending or proposed legislation
 - Typically much broader than FMLA
- Many other states also have paid sick leave, public health emergency leave, or other requirements covering a broad range of short-term absences

What's at stake?

Poorly drafted leave policies can create significant legal exposure for employers!

PAID FAMILY & MEDICAL LEAVE LEGISLATIVE LANDSCAPE





IMA'S ABSENCE CONSULTING SERVICES

STEP 1 – FACT FINDING

- + Discuss current practices, employee demographics, goals, etc.
- + Review existing leave policies, STD plans, and leave administration

STEP 2 – BENCHMARKING AND PLAN DESIGN

- + Provide recommendations on leave offerings, plan design, and carrier support options
- + Benchmarking based on company size/industry/locations
- + Key decision points
 - + PTO vs. separate vacation/sick leave
 - + Unlimited PTO
 - + Parental bonding leave
 - + Nationwide policy vs. separate policies by location
 - + In-house vs. third-party leave administration

STEP 3 – DRAFT LEAVE POLICIES

+ Review benefit plan eligibility language to ensure consistency with company leave policies

STEP 4 – FINAL REVIEW

- + Discuss plan for implementation
- + Develop employee communications and required notices





AGENDA

- 1 Intro to IMA's Compliance Services
- 2 Compliance Review
- **3** ACA and Other Provisions for the Medical Plan

This presentation is for general educational purposes only and is not to be construed as legal, tax, or actuarial opinion/advice. This material is subject to changes in laws, rules, regulations, and their interpretations.

Last revised 3/24/2023



Compliance Team



KC RIPPSTEINCompliance Practice Lead



IMA BENEFITS COMPLIANCE SERVICES

Our dedicated Compliance Practice partners with you and your IMA Benefits team to provide analysis/review, education, tools, reminders, alerts, monthly webinars, and partner referrals to keep up with compliance requirements for your benefit plans.

5500 Reporting Included

Through attorney partner ERISAfire, we will facilitate one complimentary **5500** filing and Summary Annual Report (**SAR**) each plan year needed for our client's non-MEWA plans.

Plan & Notice Templates Available

<u>We always advise</u> working with legal counsel to develop your **legal documents** for the utmost protection in court, and we offer referrals to hire an attorney partner.

For those not hiring an attorney, we provide complimentary templates for a **wrap plan document, SPD, cafeteria plan**, and more (but please note templates do not always fit every situation).

Detailed ACA Reporting Guidance

We provide education on how to complete and audit your **IRS ACA reporting**. We also offer referrals to hire a reporting partner.



YOUR COMPLIANCE PARTNERS

| | (IMA) Benefits | Mineral | ERISAfire <u></u> |
|-------------------|---|---|--|
| Initial Review | Initial compliance analysis & review with compliance calendar and disclosure notices guide for all clients | HR Assessment self-service tool | IMA provides one annual Form 5500 filing & SAR via ERISAfire for clients needing one if it's not a MEWA/PEO |
| Education | Subscribe to our e-newsletter for federal benefits alerts and reminders, webinars, and some state/local alerts | HR benefits staff is auto-subscribed to e-newsletter for federal and state HR alerts, reminders, and webinars | |
| Documents | We recommend hiring an attorney, but we can use attorney-drafted complimentary templates for simpler plan documents/SPDs, cafeteria plans, HIPAA, and more. We also provide sample notices. | We can use Mineral's complimentary templates for single-state employee handbooks and for simpler <i>non-ERISA</i> plans | We <u>recommend</u> hiring an attorney like ERISAfire to create your plan document and SPD We can use ERISAfire's complimentary template for simpler <i>ERISA</i> plans |
| Misc | We gladly refer to partners for non- discrimination testing, ACA reporting, leave administration, COBRA, FSAs, and more | Online library, HR hotline, learning management system (LMS), and more | Can facilitate full-service ACA reporting for employers for a fee comparable to other full-service ACA reporting partners |
| Other Options | We provide educational videos on how to audit your ACA reporting, and our partner Benefit Comply can provide a spot-check review of your ACA reporting for a flat fee | Additional fee options, such as: • Multi-state employee handbook • State-mandated harassment course • Anonymous reporting • A dedicated account manager | Can provide legal assistance with many benefits-related issues, and even offer an affordable two-year retainer option |



MINERAL UPGRADE: GUIDED HR COMPLIANCE

If you could benefit from an HR service model similar to IMA's benefits service, where you have a dedicated HR expert get to know your business, conduct a thorough review, and help you implement tailored solutions, then you might benefit from purchasing Mineral's Guided HR Compliance service.



Connect clients with added HR and compliance support through a Dedicated HR Expert who gets to know their business.



Remove barriers to handbook creation with a tailored handbook from the Dedicated HR Expert.

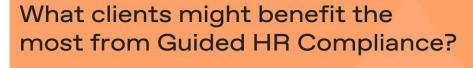


Ensure compliance with training mandates through Workplace Harassment Prevention.



Increase engagement with Mineral solutions by helping clients connect to the tools and information at the exact moment they need it.







Clients who frequently have HR and compliance questions.



Clients who don't seem to know where to start with HR and compliance.



Generally overburdened clients that require more support.



Younger businesses that are experiencing high growth.



Businesses undergoing significant transition.





COMPLIANCE CHECKLIST

ERISA & Cafeteria Plans

- ☐ Group wrap plan document & policies
- ☐ Group wrap SPD & certs
- ☐ Cafeteria plan and account-based plan certs
- ☐ Participant distribution
- Document retention
- ☐ Form 5500 & SAR

HIPAA Privacy & Security

- ☐ Security risk analysis
- ☐ Privacy policies & procedures
- ☐ Security policies & procedures
- Training
- Notice of privacy practices
- ☐ Business associate agreements (BAA)

Benefit Notices & Posters

One-time up-front notices

- ☐ ACA Exchange Notice for all new hires
- ☐ Notice of special enrollment periods
- ☐ COBRA initial general notice
- ☐ FMLA poster, w/policy in handbook
- EEOC Know Your Rights poster (10/20/22)
- USERRA poster

Annual notices

- ACA SBC
- WHCRA
- ☐ CHIP
- ☐ HIPAA and EEOC wellness notices
- ☐ Part D creditability notice
- ☐ Creditability disclosure to CMS

Notices tied to an event

- ☐ COBRA election notice
- ☐ FMLA certifications & determinations
- ☐ Life insurance portability/conversion

Plan Reporting, Testing, etc.

- ☐ Imputed income for life insurance
- ☐ Taxable premiums for civil union domestic partner and possibly partner's child(ren)
- QMCSO/NMSN procedures
- Wellness plan incentives
- ☐ W-2 reporting cost of health coverage
- ☐ ACA reporting (1094/1095)
- ☐ Look-back method hours tracking (measurement & stability periods)
- Non-discrimination testing under §125, §129, §105(h), §79, etc.
- ☐ Form 720 PCOR reporting & fees
- MHPAEA QTL & NQTL analysis
- RxDC reporting
- ☐ HHS reporting (gag clauses, air ambulance, etc.)

State & Local Requirements



TABLE OF FEDERAL LIMITS

| Description | 2022 | 2023 |
|---|---|---|
| ACA affordability percentage Single FPL affordability for calendar year plan Single FPL affordability for non-calendar year plan | 9.61% • \$103.14/mo • \$108.83/mo | 9.12% • \$103.28/mo • \$110.80/mo |
| §4980H(a) penalty for ALEs for not offering to 95% of FT (and their dependents) §4980H(b) penalty for ALEs if coverage is not affordable or minimum value | • \$2,750/yr (≈\$229.17/mo) • \$4,120/yr (≈\$343.33/mo) | • \$2,880/yr (<i>\$240.00/mo</i>) • \$4,320/yr (<i>\$360.00/mo</i>) |
| PCOR fee payable by employer for self-funded plan (also payable by employer for HRA integrated with fully insured plan, but only for average enrolled employees rather than average enrolled family members) | For PCOR fee due Mon 8/1/22: \$2.66 pppy for plan year ending 1/1/21-9/30/21 \$2.79 pppy for plan year ending 10/1/21-12/31/21 | For PCOR fee due Mon 7/31/23: • \$2.79 pppy for plan year ending 1/1/22-9/30/22 • \$3.00 for plan year ending 10/1/22-12/31/22 |
| Non-grandfathered health plan out-of-pocket limit (OOP) for in-network essential health benefits (EHBs) | \$8,700/yr per person\$17,400/yr per family | \$9,100/yr per person\$18,200/yr per family |
| HSAs and QHDHPs • Minimum deductible (imbedded per-person deductible must be ≥ family limit) • Max OOP (but on family, remember the non-grandfathered OOP max per person) • Contribution limits (includes employer and employee contributions) ✓ Plus up to \$1,000 catch-up contribution per HSA account holder age 55+ on 12/31 | \$1,400 single, \$2,800 family \$7,050 single, \$14,100 family \$3,650 single, \$7,300 family | \$1,500 single, \$3,000 family \$7,500 single, \$15,000 family \$3,850 single, \$7,750 family |
| Other account-based plans Health FSA and limited purpose FSA employee contributions and carryover Health FSA and LPFSA employer contributions Daycare FSA non-taxable reimbursements (inclusive of grace period funds) EBHRA QSEHRA Adoption assistance (does not reduce FICA/FUTA) Education assistance (can include student loan repayments through 12/31/25) Qualified parking Qualified mass transit/vanpool | \$2,850 (\$570 carryover to '23) \$500 or 1:1 match \$5,000 (\$2,500 if separated) \$1,800 \$5,450 single, \$11,050 family \$14,890 \$5,250 \$280/mo \$280/mo | \$3,050 (\$610 carryover to '24) \$500 or 1:1 match \$5,000 (\$2,500 if separated) \$1,950 \$5,850 single, \$11,800 family \$15,950 \$5,250 \$300/mo \$300/mo |
| Non-discrimination testing Highly compensated employee (HCE) Key employee | • \$135,000 • \$200,000 | • \$150,000 • \$215,000 |



ERISA

ERISA Basics

- ❖ ERISA is a 1974 law that:
 - ✓ Requires employers to commit to their benefits in written plan materials
 - ✓ Confers legal rights to employees, beneficiaries, and health care providers when clear plan terms are not followed
- Virtually all health & welfare benefits are subject to ERISA (we have a flyer explaining what's specifically exempt)
- ERISA applies to all employers sponsoring health & welfare benefits, except governmental and church plans
 - ✓ However, governmental and church plans still need written plan materials to defend them in court, still need to communicate benefits & rights to those eligible, and still need to ensure overall compliance

Written Materials

- Must have a written plan document to provide legal protection, plus a Summary Plan Description (SPD) the average employee can understand
 - ✓ Provide employees certificates of coverage (certs) from each underlying plan, and an SPD that wraps around all those certs
- Keep plan updated with amendments or restatements
 - ✓ Communicate material reductions within 60 days of date employer commits to those changes (i.e., during open enrollment)
 - ✓ Communicate all other materials within 3 months of new plan year (or within 30 days of a request)
- Penalties generally only applicable if documents/notices are not provided soon after a request (\$110/day)
 - ✓ But not having legal documents or failing to communicate benefits & rights may result in expensive litigation risk

- □ Have a written plan document to protect you in court and to provide upon request (might be a combo plan doc & SPD)
 - ☐ IMA recommends an attorney create your documents, but we have free templates available for simple plans
- ☐ Provide SPD and each plan's cert to those eligible...probably several dozen pages long, but a DOL e-delivery safe harbor is available:
 - □ Post to intranet benefits page and/or online enrollment system (when SPD & certs are updated, must notify employees where to find them and how to request a free paper copy)
 - ☐ For employees without electronic access as an integral part of their daily job, obtain employee's consent to edelivery (however, there's no express penalty for e-delivery not meeting the safe harbor, so use best judgment of litigation risk if you e-deliver outside the safe harbor)
- ☐ Keep copies for about 8 years



ERISA FIDUCIARY DUTIES

Fiducaries

- ERISA makes the employer and certain employees a fiduciary responsible to enforce the written terms and ensure plan operation, funding, and compliance
- Fiduciaries are not just the C-suite but anyone who can exercise control or discretion over plans and/or plan assets
 - √ Those who determine plan eligibility, coverage, and exclusions
- ✓ Those who evaluate appeals and exceptions
- ✓ Those who decide who will
 administer the plan and how much
 to pay those administrators
- Plan assets must be held in trust unless an exception applies
 - ✓ All employee funds withheld from paychecks are plan assets...those must be held in trust unless spent on the plan within 90 days

Fiduciary Duties

- Must act solely in the interest of plan participants and beneficiaries with the exclusive purpose of providing benefits to them
- Enforce written terms and very carefully evaluate when exceptions are justified
- Must document decisions and the basis for decisions to demonstrate prudence
- Only pay reasonable fees, but also ensure plan administrators are financially and operationally sound
- Safeguard plan assets (particularly those held in trust), and always ensure plan solvency

- Ensure those with authority or discretion over plans and/or plan assets understand they are fiduciaries with heightened duties ("the highest duty known to the law") and personal liability to restore any losses to the plan, even for unintentional breaches of duty
 - ✓ See Mineral's ERISA fiduciary training here
- Document decisions and the basis for those decisions
- Review contracts and hold plan administrators accountable throughout the year (performance, timeliness, reasonable fees, documenting processes, record retention, mandatory reporting, etc.)



ERISA PREEMPTION

Governmental and church plans cannot benefit from ERISA preemption unless actively opting to operate under ERISA, so they must pay careful attention to whether state and local mandates apply

Preemption over state and local mandates

- ERISA preempts most state and local laws that regulate employee benefits, ensuring employers can offer one streamlined set of benefits even if they are a multi-state employer
- For fully insured plans, the insurer can focus on just the insurance mandates in the state the policy is issued
 - ✓ Some states try to enforce their requirements on out-of-state insurance policies, but that is very hard for a state to enforce
- ✓ An example might be CA requiring a plan that covers spouses to also cover domestic partners registered in CA, or CA requiring notification of deadlines to use FSA funds by to avoid forfeitures when FSAs are not insurance plans but are self-funded
- Virtually all state insurance mandates only apply to insurers, so self-funded plans are typically exempt

Examples not preempted

- * Statutory disability in CA, HI, NJ, NY, PR, RI
- San Francisco Health Care Security Ordinance (HCSO) and Health Care Accountability Ordinance (HCAO)
- Seattle Hotel Employees Ordinance
- Arkansas Act 900 regulating PBM reimbursements (see SCOTUS decision)
- California FSA shortened mid-year run-out notice (if not already in SPD)
- * Hawaii Prepaid Health Care Act
- Illinois Consumer Coverage Disclosure <u>Act</u>
- Massachusetts <u>1099-HC</u> and <u>HIRD</u> reporting (and similar reporting for CA, DC, RI, NJ)
- ❖ New York Public Goods Pool reporting & fees
- Vermont Health Care Fund
- **❖ Washington** PAL fund and LTC tax
- Multiple Employer Welfare Arrangement (MEWA) state laws, which often require registering the MEWA and possibly prohibiting them (particularly when self-insured)
- Federal, state, and local contractor requirements
- Collective bargaining agreements

- Understand which mandates apply to the employer's plans and which are preempted by ERISA
- □ Remember not all benefits are ERISA plans...e.g., state and local paid leave laws and commuter benefit laws are not preempted
- Ensure compliance with required state and local mandates (documenting processes, record retention, mandatory reporting, etc.)



ERISA REPORTING

Governmental and church plans exempt from ERISA may skip this slide

ERISA Reporting

- An ERISA plan (so not a governmental or church plan) with 100 or more participants (including those on COBRA continuation coverage) at the beginning of the plan year must file a Form 5500 with the Department of Labor (DOL) and give employees a Summary Annual Report (SAR)
 - ✓ 5500 is due 7 months after plan year ends; then SAR 2 months later
 - ✓ Typically, employer paid life insurance is the first benefit to cross 100 enrolled, so that might be the plan to watch
 - ✓ Can file just one 5500 if employer "wraps" plans together with a wrap plan document
 - ✓ Plan year cannot exceed 12 months
 - ✓ Small plans < 100 generally exempt, but might have to file in certain circumstances, such as if utilizing a trust, part of a MEWA, etc.

Closing Thoughts

- Employer might create a Multiple Employer Welfare Arrangement (MEWA) with extra compliance obligations if sharing benefits with individuals that are not employees, such as:
 - ✓ Board members
 - ✓ Passive owners
 - √ 1099 independent contractors
 - ✓ Employees of another company that is not in a §414 "controlled group" with the employer sponsoring the plan
 - ✓ See IRS Publication 15A for more
- Penalty for late/missing filings (2023)
 - ✓ 5500: \$2,586 per day late
 - ✓ SAR: No express penalty
 - ✓ M-1: \$1,881 per day late

- ☐ For ERISA benefits with 100 or more participants at the beginning of the plan year, ensure the 5500 is filed within 7 months following the close of that plan year
 - □ IMA facilitates one complimentary 5500 filing and SAR each plan year through attorney partner ERISAfire for non-MEWA plans
 - ☐ For an extra fee, ERISAfire can assist with extra 5500 filings an employer might need (it's rare to need to file more than one as long as the plans are "wrapped")
 - □ For an extra fee, ERISAfire can help employer get caught up on any missed delinquent filings
 - ☐ For the cost of a legal retainer, ERISAfire can also assist with controlled group determinations and MEWAs



COBRA

COBRA Basics

- COBRA is a 1985 law that requires health plans allow enrolled employees, spouses, and dependents that lose eligibility for covered reasons to continue that coverage for a limited time, with the enrollee paying up to 102% of the full rate (up to 150% under a Social Security disability extension)
 - ✓ This includes medical, dental, vision, underspent health FSA, HRA, EAP, and other plans providing medical benefits
 - ✓ Domestic partners are **not** spouses
- COBRA applies to all employers with 20+ employees the previous year, except church plans
 - ✓ Small employers <20 might be subject if part of a MEWA or multiple employer plan...otherwise they are typically subject to state continuation rights
 - ✓ Church plans have no rules here but often provide limited continuation benefits, such as 6 months instead of COBRA's 18 or 36 months

Duration & Covered Reasons

- Employee events: 18 months for termination of employment or reduction in hours
 - ✓ It's rare, but being Social Security disabled can extend this by 11 months (to 29 total months), and the plan can charge up to 150% for the extension
 - ✓ Also rare, if employee enrolled in Medicare within 18 months <u>before</u> termination or reduction in hours, then spouse and dependents get **what's left of 36 months from date Medicare began** (but employee gets 18 months)
- Dependent events: 36 months as follows (and can be a second qualifying event to double the 18 months of COBRA above):
 - ✓ Family upon employee's death
 - ✓ Spouse (and step-children not adopted by employee) upon divorce
 - ✓ Child turning 26
 - ✓ Spouse and dependents upon retiree losing retiree plan due to Medicare
- COBRA failures often trigger litigation plus a penalty (\$100 per person per day)
 - ✓ Documentation is key

- ☐ We *always advise outsourcing* COBRA
 - ☐ IMA can refer you to a partner
- ☐ Comply for **every** plan subject to COBRA
 - □ HRA and self-funded plan should charge 102% of "expected," not maximum (even if employer funds to maximum to build a reserve)
 - □ Health FSA special rules available If employer contributes no more than \$500/yr or 1:1 match to FSAs, then:
 - ☐ Can limit to "underspent" FSA (this does not mean employee has spent less than they've funded...it means COBRA premium to finish the plan year is less than the remaining available balance)
 - ☐ Can limit to finishing the current plan year (rather than 18/36 months)
 - ☐ If employer issues 250+ forms W-2, then may want EAP to provide COBRA to all at no cost for 18/36 months (but employer can require election form)
 - Don't forget telemedicine
 - Don't forget wellness plan providing medical benefits, such as biometric screenings or flu shots



COBRA NOTICES

COBRA Notices

- Several notices apply for COBRA
 - ✓ Initial general notice
 - ✓ Election notice
 - ✓ Unavailability of COBRA (such as when denying COBRA for gross misconduct, or not being eligible for COBRA when the person believes they are)
 - ✓ Insignificant underpayment of premium
 - ✓ Early termination of COBRA
- Model notices mention legal separation and Medicare as triggering COBRA...since these are not applicable to most plans, you might need to remove that language
- Imperative to keep proof of providing notices to protect employer in court, as this is a highly litigated area of benefits
 - ✓ Can keep copy of notice and postmarked envelope if you meter mail in-house
 - ✓ If not metering in-house and not outsourcing COBRA, use "certificate of mailing" ("certified mail" not necessary)

Focus Areas Typically Missed

An initial **general notice** must be provided **within 90 days** when someone **first enrolls** in a group health plan subject to COBRA, notifying them of <u>future</u> rights & responsibilities

- Okay to include in new hire packet to notify employee and most dependents (or e-deliver to those with a computer for their daily job, or those who actively consent to e-delivery)
- However, must mail to the home of a newly enrolling spouse that has not actively consented to e-delivery
 - ✓ This is critical to protect the employer in court if a spouse fails to timely notify the employer of a divorce, loses COBRA rights as a result, and sues the employer
- Also if an address is provided of a newly enrolling dependent not residing with the employee, must mail to them (or get consent to e-delivery)

Also, don't forget to **provide annual open enrollment group health plan info** to those on COBRA or still in their election window

They have the same rights as active employees to switch plans, enroll in new plans, and/or enroll family members that previously waived

Action Items

- ☐ We *always advise* outsourcing COBRA
 - ☐ If you're handing out initial general notice in new hire packets, need to document that procedure
 - Ensure a process is built to mail initial general notice to a spouse (or dependent residing elsewhere) that newly enrolls (with proof of mailing), or spouse consent to e-delivery is secured and notice is e-delivered (with proof of spouse consent & delivery)
 - ☐ Ensure other notices, premium collections and remittance to each plan, and other tasks are identified, assigned, and documented to protect the employer in court

Recent lawsuits and settlements over COBRA notices are *constant*, such as:

- ✓ Costco, Apr '22, \$750,000 settlement
- Home Depot, Feb '22, \$815,000 settlement
- Fiat Chrysler, Jan '22, \$600,000 settlement
- ✓ <u>Target</u>, Aug '20, \$1.6 million settlement
- ✓ Mariott, Feb '20, \$250,000 settlement



DOMESTIC PARTNERS

Domestic Partner Basics

- Several states require coverage of registered domestic partners (sometimes called a civil union) in fully insured policies issued in that state
 - ✓ CA, CO, HI, IL, NJ, OR, WA, and some counties & municipalities require insured spousal coverage be extended to registered domestic partners
 - ✓ WI prohibits domestic partner benefits for governments/schools
- ❖ But domestic partners are not spouses for federal tax purposes, so they do not have independent COBRA rights, and unless they qualify as a tax dependent, then both employer and employee costs to add them to coverage is taxable income
- In some states, the partner's children may be step-children, and coverage is not taxable to cover stepchildren

Tools to Help

- We have a flyer employers can share with employees linking them to the IRS's tax rules on this
- We recommend requiring an affidavit to enroll a domestic partner (we have a sample) to avoid issues of someone enrolling a friend in need rather than a true domestic partner
- We have a calculator to help you determine how much of the employer and employee contributions are taxable income, but we are not tax advisors so it cannot be relied upon as tax advice
 - ✓ Ideally you would withhold from taxable pay the employee's share of premium attributable to covering the partner (and maybe the partner's children)
 - ✓ That way you only have to impute
 as taxable income the employer's
 contribution to cover the partner
 (and maybe the partner's children)

- We <u>always advise</u> working with legal counsel to develop your documents and procedures around this, and legal counsel or your tax advisor to address the taxation issues
- Be clear in communications with the employee about rules you impose here, especially taxation...once they understand how heavily taxed a domestic partner's coverage is, they will often seek more affordable coverage elsewhere
- Some couples may state they're in a common law marriage which is federally recognized as a spouse...employers should require a notarized affidavit and proof of filing taxes as married
 - □ CO, IA, KS, MT, SC, TX, and UT are the only 7 states allowing new common law marriage
 - □ DC, OK, and RI case law potentially recognize new common law marriage
 - New common law marriages were no longer allowed in AL in 2016, PA in 2005. and SC in 2019
 - □ 13 states have never allowed common law marriage: AR, CT, DE, LA, MD, NC, OR, TN, VT, VA, WA, WV, and WY



§125 PRE-TAX CAFETERIA PLAN

Cafeteria Plan Basics

- Internal Revenue Code Section 125 allows employees to pay for certain qualified benefits with pre-tax payroll deductions
 - ✓ Certain owners of pass-through entities may not contribute pre-tax to benefits
- ❖ This reduces the employee's taxable income, typically reduces both the employee's 7.65% FICA taxes (6.2% Social Security and 1.45% Medicare) and the employer's matching 7.65% FICA, and typically reduces the employer's FUTA
 - ✓ Each \$100,000 in pre-tax deductions saves the employer up to \$7,650 FICA
 - ✓ One notable exception: Similar to retirement plans like §401(k), adoption assistance programs only reduce taxable income but not FICA or FUTA
- IRS Publication 15B lists benefits allowed to be paid via pre-tax payroll deductions, so never pre-tax a plan not on that list
 - ✓ However, some benefits allowed to be paid pre-tax might be better to pay aftertax, such as accident, cancer, critical illness, disability, voluntary life, etc.

OLEs and NDTs

- Employee elections must be made before the cafeteria plan year begins and will be locked for the entire plan year unless a qualifying life event (QLE) allows an election change
 - ✓ The IRS lists what QLEs are allowed, so never allow a QLE not on that list
 - ✓ An election form (paper or electronic) is strongly advised, but documentation proving a QLE happened or proving dependent status is not required if the employer wants simplicity
 - ✓ Election changes are retroactive only for changes effective on date of hire, birth/adoption, and divorce...all other election changes are prospective
- All this tax-favored compensation cannot favor highly compensated or key employees, so cafeteria plan should run 3 nondiscrimination tests each year
 - 1) Eligibility test
 - 2) Contribution & benefits (C&B) test
 - 3) 25% Key employee concentration test
 - ✓ Pre-tax HSA contributions tend to be the main contributor to failing a test
 - ✓ Disparate waiting periods are prohibited, but disparate contributions can often pass testing within reason

- □ Have a written cafeteria plan document clearly listing which benefits may be funded pre-tax (med, den, vis, FSA, HSA, etc.)
 - IMA recommends an attorney create your documents, but we have free templates available if needed, or your FSA administrator may have a template
 - Employer providing cash to employees in lieu of benefits must describe the opt-out waiver incentive in the cafeteria plan document
- □ Provide the written cafeteria plan to employees (ideal to follow same delivery or e-delivery method you're using for your SPD and certs)
- ☐ Always follow the terms of your plan when evaluating QLE requests
- ☐ Have a procedure for handling mistakes
- Avoid waiving new hire waiting periods since disparate waiting periods are prohibited
- ☐ Run annual non-discrimination tests
- Keep copies of documents and tests for about 8 years



HIPAA

3 Major HIPAA Rules

- 1. Non-discrimination
 - Health plan eligibility should only require being full-time, not be tied to health status or wellness participation
- 2. Special enrollment rights
 - Employees have a 30-day right to enroll in any medical plan you offer upon marriage, birth, adoption, placement with the employee for adoption, or loss of other coverage
 - Employees have a 60-day right to enroll in any medical plan you offer upon losing Medicaid/CHIP or newly qualifying for a Medicaid/CHIP premium subsidy
 - Only birth/adoption/placement results in retroactive coverage...all other coverage is effective prospectively
- 3. Privacy, security, and breach notification
 - If employer has claims analytics drilldown for insured plan and/or any type of self-funded health plan (even FSA), then we need to discuss this

Tools to Help

- We have a wellness overview but HIPAA and EEOC regulations can make it complicated, so we prefer to work with you on your wellness initiatives
 - Only tax-free ways to incent wellness are to reduce cost-sharing on the health plan and/or make contributions to FSA or HSA (subject to limits)
 - Surcharges can make plan less "affordable" under ACA
- Special enrollment rights notice must be given to new hires or employees promoted to become eligible for medical plan; we provide the model notice
 - Employer can optionally limit the "loss of other coverage" event to those who attest to having other coverage when first eligible, but most employers don't want the extra administrative burden
- IMA offers HIPAA compliance tools via our partner Benefit Comply
 - Free self-service tool for employer with insured plan and FSA
 - All others are \$795 for a self-service tool or a project fee to hire a consultant

- ☐ Work with IMA on all wellness initiatives
- □ Provide special enrollment rights notice to all full-time hires and promotions eligible for medical, ensure they can enroll in any of the medical plans you offer when they exercise a HIPAA special enrollment right, and only have retroactive coverage for birth/adoption/placement (all other events result in prospective coverage)
- ☐ If you have claims analytics drill-down on your insured medical, dental, or vision plan, and/or you have any type of self-funded health plan (medical, dental, vision, FSA, HRA, etc.), work with IMA to engage Benefit Comply for HIPAA privacy and security requirements



MEDICARE SECONDARY PAYER (MSP)

MSP Basics

- When employer's plan is required to pay primary, employer cannot incent or coerce anyone to drop employer plan when they become eligible for Medicare
- For age-based Medicare, group 20+ pays primary
- For Medicare after 24 months of Social Security disability, group 100+ pays primary
 - ✓ Group <100 needs to inform employees that plan will pay secondary to Medicare even if they don't enroll in Medicare, so they cannot miss their Medicare deadline
- For end-stage renal disease (ESRD), group of any size pays primary during a 30-month coordination period, then Medicare pays primary thereafter
 - 30-month coordination period generally begins 1st day of 4th month of dialysis, but many things can impact when the 30-month coordination period actually begins (such as whether the person or their spouse have contributed enough work quarters to FICA taxes)

Counting Employees

- Employer count is based on all related employers under IRC §52, which is a lower 50% ownership vs. typical 80% under §414 controlled group rules
- 20-employee count is 20 or more employees (PT and FT) each working day for at least 20 weeks (need not be consecutive) during the preceding or current calendar year
 - If employer was below 20 and a situation arises that results in adverse impact to someone due to Medicare, first verify current calendar year count is still <20
- 100-employee count is 100 or more employees (PT and FT) on 50% or more of working days during the preceding calendar year
- For small employers participating in a multi-employer/multiple employer program, the age-based MSP offers a way to apply to be treated as small, but the disability-based MSP offers no way to apply to be treated as small if any one entity has 100+ employees

- Before incenting or coercing anyone to drop coverage or to have coverage pay secondary, ensure compliance with MSP first (also note TRICARE has similar rules)
- ☐ The medical carrier/TPA is the responsible reporting entity (RRE) which must notify Medicare of each person enrolled in a medical plan that pays primary, so if the employer ever gets a notice from CMS indicating Medicare improperly paid primary on someone, keep a copy and relay it to the RRE for handling
- ☐ If employees have questions about Medicare, direct them to <u>shiphelp.org</u> to talk to a licensed Medicare counselor



FMLA AND LEAVES OF ABSENCE

FMLA

- When the Family & Medical Leave Act (FMLA) is available to an employee, it protects their full-time status and access to full-time benefits at full-time rates
- Employer must address premium requirements before anyone qualifies for a leave (preferably in employee handbook)
 - Some employers require employees to pay their share of premiums during FMLA...in that case, late payment must get a 30-day grace period with notice (in TX you cannot retroactively terminate, so only terminate prospectively in TX)
 - Other employers allow double pre-tax paycheck deductions before and/or after the leave (note §125 allows this except they cannot prepay toward a future plan year)

Other Leaves of Absence

- It can be risky to have employees who are not working full-time remain enrolled in active full-time benefits
- Insurance carrier (or stop loss carrier if self-funded) expect employee to be working full-time or to have their full-time status legally protected (such as by FMLA) in order to be eligible to be enrolled and have claims paid
- The month someone stops working fulltime should typically be the final month they have active coverage, unless there is a valid reason to keep them enrolled in full-time benefits longer (such as FMLA or a full-time stability period under the ACA's lookback method)
- Some employers extend eligibility an extra month or two before moving to COBRA, but the carrier or stop loss carrier must approve such extensions, so it's preferable to decide on such language before the plan year begins to get approval before a non-FMLA situation has someone out on leave past the end of the month

- Outline FMLA premium requirements in the employee handbook before the plan year begins, and train any staff that handle leave administration on those procedures
- ☐ Provide 30-day grace period notices for short/missing FMLA premiums
- Outline non-FMLA coverage guidelines and premium requirements as well, and if they will stay eligible past the month they stop working full-time, get preapproval from the insurance or stop loss carrier before the plan year begins
- ☐ If FMLA is exhausted and employee doesn't return to work but remains employed, move to COBRA (unless something else protects full-time status, such as a full-time stability period under the ACA's lookback method)
- □ Note: Employer may not be able to collect back premiums from terminated employee if still out for FMLA reason or for circumstances beyond their control



TAXATION FOR ANCILLARY BENEFITS

Group Term Life

- Employer paid life insurance for employees must be imputed as income for amounts <u>above \$50,000</u> using <u>IRS</u> <u>rates</u>, either on each paycheck during the year or the final paycheck of the year
 - If employees pay pre-tax toward supplemental voluntary term life, then impute their total employer-paid and pre-tax life amounts, less \$50,000
 - If key employees have a discriminatory group term life insurance benefit, then the first \$50,000 of their benefit is also imputed as income
 - Giving everyone a percent of compensation to a cap is not discriminatory, but giving keys a flat dollar amount higher than non-keys is discriminatory
- Employer paid and/or pre-tax life insurance for dependents is all imputed as income using IRS rates (unless the total benefit is capped at \$2,000), either on each paycheck during the year or the final paycheck of the year

Indemnity Plans

- ❖ It is generally <u>recommended</u> that indemnity plans (accident, cancer, critical illness, hospital indemnity, etc.) be paid post-tax (i.e., don't have employees pay indemnity premiums pre-tax, and if the employer is contributing, do it on a grossup basis so premiums are withheld posttax from pay)
 - If premiums are paid pre-tax (or paid by the employer without grossing up), then all benefits paid out are to be self-reported as taxable income
 - However, the indemnity insurer will not provide a 1099, so employees may not know or understand this requirement (and may be very unhappy to learn after the fact that all benefit payouts were taxable income)

- ☐ Properly impute income on group term life, which should include:
 - ☐ Employer-paid life above \$50K
 - ☐ Employer-paid and pre-tax dependent life (unless total benefits is \$2K or less)
 - ☐ Supplemental voluntary life if paid for pre-tax
 - Even the first \$50K of employer-paid life for keys with a discriminatory plan
- ☐ Structure indemnity plans to be paid after-tax (if employer wants to pay toward the premium, gross-up pay to ensure the premium is taken after-tax)





ACA AND OTHER PROVISIONS FOR THE MEDICAL PLAN



INITIAL EMPLOYER RESPONSIBILITIES

Rescissions generally not allowed in TX, not even for failure to pay premium

Eligibility Basics

No waiting period exceeding 90 days

- ✓ Medical must be able to begin by 91st day or 1st of the month following 60 days (except when an initial measurement period applies, discussed later)
- ✓ A 1-month bona fide orientation period is allowed before the waiting period begins (but ALEs must still have medical for full-time able to begin no later than 1st day of 4th month)
- ❖ No rescissions (i.e., no retroactive medical plan terminations) except for 3 specific situations (subject to a 30-day advance notice to communication appeal rights):
 - 1. Fraud
 - 2. Failure to pay premiums
 - 3. Failure to timely notify of divorce within 60 days
- If covering children, must cover them until age 26 without conditions or surcharges (ALEs need to cover to the end of the month child turns 26)

Up-Front Notices

- Marketplace Notice in all new hire packets (even part-time, temp, etc.)
- Summary of Benefits and Coverage (SBC)
 - ☐ Created by insurer/TPA, distributed to employees by employer during new hire, annual open enrollment, and within 7 days of a request
 - ☐ Must use <u>federal template</u>
 - Must provide in foreign language per this county list
 - ☐ If printing, must print double-sided (note employer must provided a free paper copy annually upon request)
 - ☐ If annual enrollment is passive, must provide SBC at least 30 days in advance of new plan year starting, so be sure OE materials are provided with this in mind
 - Off-anniversary changes to the SBC must be provided at least 60 days in advance of the effective date of the change

- ☐ Ensure waiting period isn't too long
- □ Only terminate coverage retroactively in the 3 situations allowed, and only with the required 30-day advance notice (which you should have on-hand ready-to-go) communicating appeal rights (we would also recommend this notice explain why COBRA will not be available)
- Ensure child eligibility contains no conditions or surcharges
- ☐ Provide Marketplace Notice in all new hire packets
- ☐ If company receives a medical loss ratio (MLR) rebate, use IMA's calculator to determine how much to give to employees vs keep for employer (taxable to employees and employer)
- Follow SBC rules to the T as outlined to the left (penalty per failure is \$1,362 in 2023)
- □ Do not pay toward individual market premiums (penalty is \$100 per person per day)



HANDLED BY CARRIER/TPA

All Medical Plans

- No exclusions/limitations for pre-existing conditions
- No annual or lifetime dollar limits on essential health benefits (EHBs) covered by the plan
- ☐ Special language if designation a primary care physician (PCP) is required
- ☐ Emergency services in emergency room:
 - □ Cannot require pre-auth for emergency or impose more restrictions out-of-network
 - ☐ Out-of-network emergency room care must impose in-network cost-sharing based on a median in-network rate, and balance billing is prohibited
- □ Gender affirming care is only "required" under §1557 of insurance companies and certain TPAs, but Title VII civil rights protections are making it discriminatory for almost any plan to exclude it, regardless of whether §1557 applies

Non-Grandfathered Plans

- ☐ Small fully insured must cover all ten categories of EHBs, subject to community rating requirements
- ☐ Enhanced appeal rights (even for non-ERISA plans)
- ☐ Cannot restrict a benefit solely due to participating in a clinical trial
- ☐ Cannot discriminate against a health care provider acting within scope of license
- Mandatory list of preventive care in-network without charging plan participant (must ensure adequate in-network access to impose costsharing out-of-network)
 - □ USPSTF <u>A&B recommendations</u> with the plan year starting 1 year after an update
 - □ HRSA women's guidelines, including women's sterilization and contraceptives in all 18 FDA categories (most employers can be exempt from one or more of these for sincerely held religious beliefs)
 - Tobacco cessation
- ☐ In-network EHBs subject to OOP limit, must include deductible, coinsurance, and copays
 - ☐ 2023 \$9,100 per person, 2x family
 - □ 2024 \$9,450 per person, 2x family

- ☐ Ensure these provisions are built into your plan each year by your carrier/TPA/PBM
- ☐ Can have annual or lifetime dollar limits for covered non-EHBs
- ☐ Grandfathered plans can voluntarily comply with as little or as much of the non-grandfathered plan requirements as they wish (e.g., many grandfathered plans cover the bulk of the preventive care list in-network without cost-sharing, and some count all in-network cost-sharing toward the total OOP)



SPECIFIC TO SELF-FUNDED PLANS

PCOR Fee

- □ Patient Centered Outcomes Research (PCOR) Fee is filed & paid with the IRS by insurers for fully insured plan years but by employers for self-funded plans and HRAs (fee is tax deductible for employer but must be paid from general assets, not employee contributions)
- □ Due 7/31 of the calendar year after the year in which the plan closed (e.g., fee is due 7/31/23 for a calendar year 2022 plan or any non-calendar year plan that ended during 2022)
- ☐ Fee is indexed each year and is payable times employer's average number of enrolled members (employees & dependents) using the lowest of 4 permitted plan year counting methods
 - ☐ For HRA integrated with fully insured plan, only multiply by average number of enrolled employees, not members
- ☐ Keep records for 4 years

Other Requirements

- ☐ Transitional reinsurance fee was only required of self-funded plans 2014-2016 but records must be kept for 10 years
- Extra IRS 1095 reporting obligations
 - Non-ALE must provide 1095-B to employees (and other primary subscribers) enrolled in self-funded plan, and provide those to IRS with 1094-B
 - ☐ ALE must complete Part III of 1095-C with enrollment information, and provide similar info to other primary subscribers
 - ☐ In both cases, must include dependent SSNs (if no dependent SSN, may use TIN or DOB but must document 3 attempts to secure SSN:
 - 1. upon initial enrollment,
 - 2. by 12/31 that year (or 1/31 next year if enrolling in Dec), and
 - 3. by 12/31 of year after enrollment
- □ Section 105(h) non-discrimination testing applies to self-funded plans (very low enforcement area for IRS)
- □ HIPAA privacy, security, and breach notification requirements apply directly to employer when self-funded (data security risk analysis, policies and procedures, training, privacy notice, etc.)

- □ PCOR Fee when required, keep records for 4 years
- ☐ If self-funded any part of 2014-2016, ensure TRF records are kept 10 years
- □ Have a process to accommodate extra 1095 reporting obligations for self-funded coverage months for every enrolled employee and family member
- □ Have a process for documenting 3 attempts to solicit SSN of enrolling dependents when SSN is not provided
- ☐ If employer will run §105(h) testing, consider frequency and get a partner lined up to do the testing (typically costs \$500 to \$800)
- ☐ If employer does not have all the HIPAA privacy & security requirements met, work with IMA and our partner Benefit Comply to get this project done (free if employer has fully insured plan w/o claims drill down but with an FSA...otherwise can be \$795 self-service or a project fee to hire a consultant)



APPLICABLE LARGE EMPLOYER (ALE)

Determining ALE Status

- Employer is an ALE for the calendar year if they averaged 50 or more full-time and equivalent employees (FTEs) the previous calendar year
 - Must include counts of other employers in a controlled group or affiliated service group with you
 - Must include anyone the IRS considers a "common law employee" even if not in a W-2 relationship with the company
 - ☐ Might have to include seasonal
 - ☐ Do not have to include those with military coverage (TRICARE, VA, etc.)
- ☐ An employer close to the 50-mark can use IMA's ALF Size Calculator

§4980H(a)

- ☐ Under §4980H(a), ALE must make annual offer of "minimum essential coverage" (MEC) to 95% of "full-time" (30 hrs/wk) and their children to the end of the month they turn 26
 - ☐ If employer has <100 FT, then must offer to all but 5 FT
- ☐ If employer fails to offer to 95% and just one FT employee obtains public Exchange Marketplace coverage with a tax credit, then employer will pay the subsection (a) penalty on all FT less this employer's share of a 30-employee reduction
 - ✓ 2023: \$2,880/yr (\$240.00/mo)
 - ✓ 2024: \$2,970/yr (\$247.50/mo)
- ☐ Rehire rules apply that affect 95% offer above
 - ☐ All size employers: Rehires within 30 days must resume all pre-tax coverage they had by the 1st of the month (unless no longer eligible)
 - □ ALEs: Rehires gone at least 13 weeks may be treated as new hires subject to new waiting period (or new initial measurement period as applicable)...26 weeks for educational employer
 - ALEs: Rehires gone 31 days to <13 (or 26) weeks should be plugged back into the status they were in when they left (if they had waived, the waiver can stand; if they were enrolled, they can reenroll if they like for coverage to begin by 1st of the next month)

- ☐ If close to the 50-FTE mark, use IMA's calculator to determine ALE size, remembering controlled group, affiliated service group, and common law employee rules all impact employer size
- ☐ ALEs may need to consider whether to:
 - ☐ Adopt the look-back method for variable hour and/or seasonal employees
 - ☐ If adopting look-back, must decide whether to also adopt the 3-month tail provision, and must identify how employees will be credited for unpaid FMLA, USERRA, and jury duty hours
 - ☐ Ensure independent contractors cannot be viewed as common law employees
 - □ Redraft eligibility language to eliminate categorical exclusions of those who could work 30+ hrs/wk, such as temps, seasonal, interns, variable hour, adjunct, PRN, etc.
 - Educational employers must credit employees for fall, winter, spring, & summer breaks (cannot treat as zero-hour weeks)
 - ☐ Ensure rehire rules are followed for rehires:
 - Within 30 days
 - ☐ 31 days to <13 weeks (26 educational)



ALE: AFFORDABLE, MINIMUM VALUE OFFERS

§4980H(b)

- □ ALE must ensure the single tier of the lowest-cost "minimum value" (MV) coverage is "affordable"
- MV means plan, on average, pays at least 60% of costs and employee cost share averages 40% or less, with substantial inpatient and physician coverage
 - ✓ Insurer/TPA attests to MV on annual SBC
- □ Affordable means lowest-cost MV single plan should cost no more than 9.5% (indexed annually) of "household income", but since employers don't know household income they can use FPL, rate of pay, or W-2 safe harbors instead
- ☐ Use IMA's Affordability Calculator and retain for your records
- ☐ If a FT employee does not have access to MV coverage meeting an affordability safe harbor and obtains public Exchange Marketplace coverage with a tax credit, then employer will pay §4980H(b) penalty on that FT employee for those months

Affordability

- Affordability threshold is 9.12% for 2023
- FPL affordability targets for 2023 are:
 - ✓ \$103.28/mo calendar year plan
 - ✓ \$110.80/mo non-calendar year plan
- Stand-alone non-tobacco incentives are allowed to count toward affordability
- All other wellness incentives are not allowed to count toward affordability, and surcharges will count against affordability
- Opt-out incentives must be structured a certain way to not impact affordability
- Flex credits may count against affordability if allowed to be used toward non-health plans (such as HSA or daycare FSA) or cashed out
- ❖ §4980H(b) penalty:
 - ✓ 2023: \$4,320/yr (\$360.00/mo)
 - ✓ 2024: \$4,460/yr (\$371.67/mo)

- Verify with carrier/TPA's SBC each year that plan you're using as lowest-cost for affordability provides minimum value
- ☐ Utilize IMA's affordability calculator to determine which affordability safe harbor works best for you, then keep it on file
- Be sure to let IMA know of wellness incentives/surcharges, opt-out incentives, and/or flex credits that might impact affordability



CONSOLIDATED APPROPRIATIONS ACT (CAA-21)

No Surprises Act

- No Surprises Act requirements related to emergency room, air ambulance, and care at in-network hospitals and ambulatory surgery centers
 - Required language in plan materials, website, and with each impacted EOB
 - □ Specific coverage requirements, such as how to determine emergency, when a patient can/can't sign an advance agreement to OON balance billing, etc.
 - ☐ Must treat as in-network subject only to in-network cost-sharing
 - □ Specific requirements and deadlines for working with the provider on a final payment determination or to ask an independent dispute resolution (IDR) entity to arbitrate
- ☐ See IMA's checklist to verify each detail with your TPA

Other Transparency Requirements

- No gag clauses in provider network contracts as of 12/27/20, with annual attestation to HHS starting Dec 2023
- □ ID card, provider directory, and continuity of care requirements starting 2022
- Machine readable files on plan's public website starting 2022, phone & web price comparison tool and online self-service tool for 500 shoppable services 2023, and for all shoppable services 2024
- □ Annual Rx and health cost reporting by 12/27/22 for calendar year 2020 and 2021, and by each June 1 thereafter for the previous calendar year (mostly aggregate reporting for the ASO/TPA/PBM's statewide book, with just 4 employer-specific data elements)
- ☐ Two years of air ambulance reporting probably due in March 2025 and 2026
- ☐ Will eventually require advance EOB following provider good faith estimate submitted to plan for approval
- ☐ Mental health parity (MHPAEA) analysis required as of 2/10/21, must keep current

Action Items

■ See IMA's checklist to verify each detail with your carrier/TPA/PBM



W-2 REPORTING VALUE OF HEALTH COVERAGE

W-2 Basics

- ❖ An employer that issued 250 or more W-2s the previous calendar year must include the value of health coverage on the following year's W-2s in box 12 using code DD
- Four categories of entities are exempt:
 - Federally recognized tribal governments or any tribally chartered corporations they wholly own
 - 2. Employers contributing to multiemployer plans
 - 3. Third party sick pay providers
 - 4. Self-insured plans not subject to COBRA (i.e., church plans)

Details on Specific Plans

- Must include both employer and employee cost for medical and employer contributions to health FSA, but must remove excess reimbursements under a discriminatory self-funded plan from the cost of coverage
- Optional to include or exclude COBRA
- ☐ Excludes specified disease and indemnity if paid entirely post-tax by employee
- Excludes EAP, wellness, and on-site clinic if a COBRA premium is not charged

Action Items

☐ If employer issued 250+ W-2s, ensure the following year's W-2 will have the required info





More Than Just Insurance

IMA is an integrated financial services company specializing in risk management, insurance, employee benefits and wealth management. It is the third-largest privately-held and employee-owned insurance broker in the country and employs more than 1,700 associates.



SAMPLE DEMOGRAPHIC INSIGHTS



GENERAL DEMOGRAPHIC INFORMATION

Key Insights:

- Enrollment patterns (high HSA and Employee Only) driven by younger population
- Benefits focus on high income, younger generations (HSA, retirement, parental leave, flexibility focus)
- Long-term focus on retention of talent, benefits that support lower turnover and longer tenured employees

| 153 | | | | | |
|-----|---|----|-----|-------------|--|
| 18 | | | | 127 19 7 | 186 |
| 281 | 7 | 50 | 2 | 898 24 23 | 18 |
| | 8 | 2 | 1 | 16 3 14 | 23 5 |
| 1 | | | 150 | 2 | 27 |
| | | | | © Ge | Powered by Bing DNames, Microsoft, TomTom |

| Average Employee Age | 34.0 |
|-------------------------|-----------|
| Percent Female | 38.7% |
| Participation Rate | 79.9% |
| Average Salary | \$166,520 |
| Median Salary | \$147,700 |

Median Wage by Gender



Gender Pay Gap:

The median female earns 79 cents for every dollar the median male earns. According to Payscale.com, nationwide, females earn 81 percent of male wages.



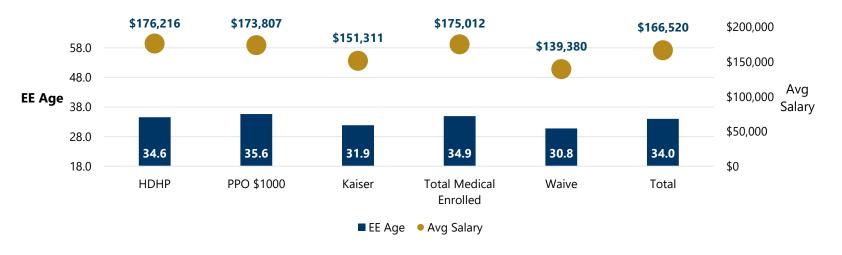
PLAN ENROLLMENT SUMMARY

| Demographics - By Plan | | | | | |
|------------------------|-----------|----------|---------------|--------|------------|
| Medical Plan | Employees | % of EEs | % of Enrolled | EE Age | Avg Salary |
| HDHP | 1,110 | 50.0% | 62.6% | 34.6 | \$176,216 |
| PPO \$1000 | 638 | 28.8% | 36.0% | 35.6 | \$173,807 |
| Kaiser | 24 | 1.1% | 1.4% | 31.9 | \$151,311 |
| Total Medical Enrolled | 1,772 | 79.9% | 100.0% | 34.9 | \$175,012 |
| Waive | 447 | 20.1% | N/A | 30.8 | \$139,380 |
| Total | 2,219 | 100.0% | N/A | 34.0 | \$166,520 |

| Demographics - By Tier | | | | | |
|-------------------------------|-----------|----------|---------------|--------|------------|
| Medical Tier | Employees | % of EEs | % of Enrolled | EE Age | Avg Salary |
| EE Only | 1,115 | 50.2% | 62.9% | 30.82 | \$144,465 |
| EE + Spouse | 174 | 7.8% | 9.8% | 37.91 | \$189,018 |
| EE + Child | 39 | 1.8% | 2.2% | 41.05 | \$187,602 |
| EE + Children | 39 | 1.8% | 2.2% | 45.69 | \$218,072 |
| Family | 406 | 18.3% | 22.9% | 43.24 | \$247,440 |
| Total Medical Enrolled | 1,773 | 79.9% | 100.0% | 34.9 | \$175,012 |
| Waive | 447 | 20.1% | N/A | 30.8 | \$139,380 |
| Total | 2,220 | 100.0% | N/A | 34.0 | \$166,520 |

Key Insights:

- High Employee Only and HSA enrollment rates consistent with younger population.
- Participation rate of around 80% consistent with tech industry participation rate (84%), slightly higher due to lower average age and higher waive rates among younger generations.





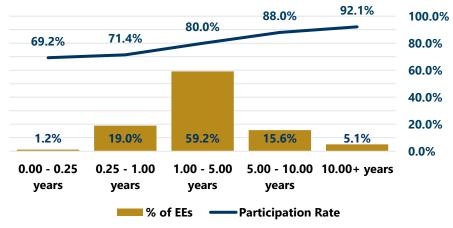
LENGTH OF SERVICE

| Demographics - By Length of Service (as of 4/1/2023) | | | | | |
|--|-----------|----------|-----------------------|--------|------------|
| Length of Service | Employees | % of EEs | Participation Rate | EE Age | Avg Salary |
| 0.00 - 0.25 years | 26 | 1.2% | 69.2% | 41.8 | \$168,973 |
| 0.25 - 1.00 years | 426 | 19.0% | 71.4% | 30.8 | \$127,291 |
| 1.00 - 5.00 years | 1,327 | 59.2% | 80.0% | 33.5 | \$154,601 |
| 5.00 - 10.00 years | 350 | 15.6% | 88.0% | 36.9 | \$212,856 |
| 10.00+ years | 114 | 5.1% | 92.1% | 41.2 | \$309,031 |
| Total | 2,243 | 100.0% | 80.1% | 34.0 | \$166,520 |

Key Insights:

- Almost half of employees at 1-5 years of service, driven by several years of growth.
- Industry benchmark turnover rate (tech) of 17%, lower than most industries.
- Focus on retention and benefits that will provide value among long-tenured employees (family planning, retirement/financial, wellness)

Participation By Length of Service



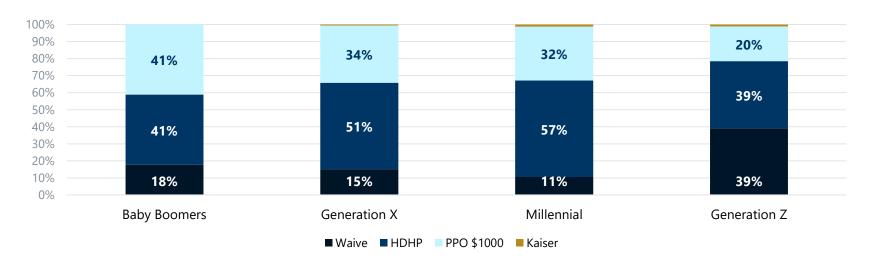


GENERATIONAL DEMOGRAPHICS

| Generational Overview | | | |
|-------------------------------------|------------------|---------|--|
| Generation | Defined | Percent | Benefits Focus |
| Baby Boomers / Silent Generation | Born before 1965 | 1% | Rich healthcare and retirement benefits, gym memberships, discount programs, hearing aid benefits, chiropractic care, Long-Term care, Medicare assistance |
| Generation X | Born 1965 - 1980 | 21% | Rich healthcare and retirement benefits, student loan assistance (for children), tax advantaged accounts, caretaker benefits, chiro/acupuncture, work-life balance, more vacation or sabbatical. |
| Gen Y/Millennials | Born 1981-1996 | 48% | Family planning benefits and support that contributes to work-life balance, including mental, social and emotional well-being. Student loan repayment, financial advice, parental leave, and career advancement opportunities. |
| Generation Z | Born 1997 - 2012 | 30% | Alternative, customizable benefits that will help them pursue more holistic health, including sleep, nutrition, mental health, and naturopathic medicine options. Benefits that support diversity, equity, and inclusion |

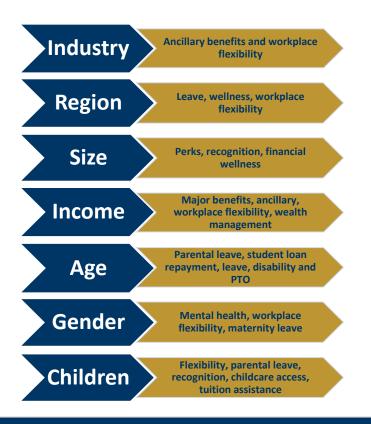
Key Insights:

- Almost 80% of population in Millennial and Generation Z.
- Individuals in these generations more likely to value family planning benefits, work-life balance, mental health and well-being benefits.
- Higher utilization of HDHP/HSA plans or waives among Millennial and Gen Z populations.

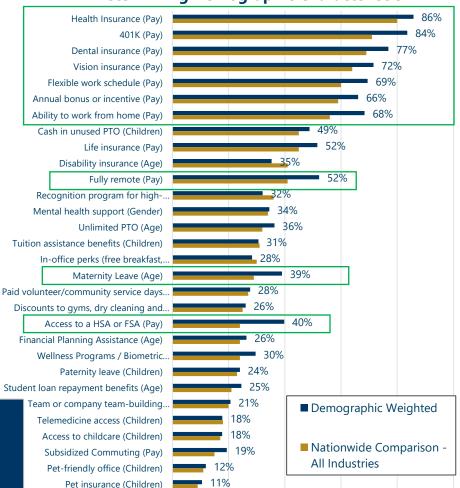




EMPLOYEE PRIORITIZATION



Employee Prioritization Benchmarks - With Determining Demographic Characteristic



Key Insights:

- High income population more likely to value financial related benefits (retirement, HSA access) and flexibility
- Younger population more likely to value parental leave, flexibility







Championing Your Employees' Benefits Support Needs

Charlie's personalized benefits support provides a dedicated advocate to help your company's employees and their covered family members maximize their benefits, alleviating the overwhelming process of navigating the complex world of employee benefits.

FEEL THE SUPPORT FROM OUR TEAM

At Charlie, our team of licensed experts are available to answer benefit questions your employees might have, from health insurance to assisting with claims.

This way, you can focus on running your business and leave the benefits questions to us.

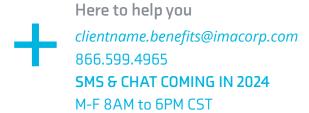
All available as an added value to you.

Equivalent value to one FTE

OUR BENEFITS EXPERTS

- + Explain how benefits work, including voluntary benefits
- + Locate in-network providers
- + Navigating billing issues and assist in resolving insurance claims
- + Facilitate pre-authorizations and support appeal options

...and other benefits-related concerns, so you don't have to!







IMA WHOLE HEALTH

THE "NEW" DEFINITION OF WELLBEING





WORKPLACE WELLBEING TRENDS

50% of HR surveyed identified a greater focus on the **employee experience** as their top priority in the post-pandemic workplace.¹

Workplace wellbeing initiatives are evolving into a greater employee experience strategy.²

All segments of employees from office workers to remote workers to gig workers, expect their experience at work to look and feel like what they experience as consumers.¹

Source Data: ¹Future Workplace 2020 HR Sentiment Survey ²Forbes – June 18, 2020 ³Wellable 2021 Employee Wellness Industry Trends Report

WORKPLACE WELLBEING INVESTMENT TRENDS - 2021



KEY INSIGHTS:

- Top increases in investment: Mental Health, Stress/Resilience, Telemedicine
- Top decreases: Biometric Screenings, Health Fairs, Onsite Fitness Classes

WORKPLACE WELLBEING TRENDS

RISING STARS

Percentage Of Employers Investing More

88%
81%
87%
100 75 50 25 25 50 75 100

COVID-19 RISK INTAKE/WELLNESS PASSPORT
TELEMEDICINE

MINDFULNESS/MEDITATION

STRESS MANAGEMENT/RESILIENCE

MENTAL HEALTH

MENTAL HEALTH

- #1 area for employers are investing more
- Promotion of current programs (health plan, EAP, tele-behavioral health)
- Enhancements: \$0 health plan copays, virtual therapy platforms, focus on needs for remote vs. in-person employees

TELEMEDICINE

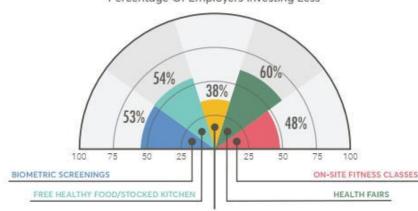
- Promotion of current programs (health plan telehealth, telemedicine)
- Strategy to provide enhancements (\$0 health plan copays, virtual primary care, virtual physical therapy, virtual behavioral health)

STRESS MANAGEMENT/RESILIENCE/MINDFULNESS/MEDITATION

- Promotion of current programs (EAP, manager trainings)
- Enhancements: Mindfulness and stress relief self-care subscription services (apps), flexible work schedules & options

FALLING GIANTS





GYM MEMBERSHIP REIMBURSEMENT

HEALTH FAIRS

- #1 area employers are investing less
- Alternative focus areas: virtual health fair platforms, benefit communication hubs/apps

BIOMETRIC SCREENINGS

Alternative focus areas: preventive care compliance through providers/virtual primary care, onsite COVID testing & risk intake programming, access to flu shots

ON-SITE FITNESS CLASSES/GYM MEMBERSHIP REIMBURSEMENT

 Alternative focus areas: virtual or on-demand fitness reimbursement, health & wellness allowance for reimbursement of other options such as at-home gym equipment and outdoor recreation activities and equipment



TOP WHOLE HEALTH STRATEGIES



LOCAL LEVEL – GRASS ROOTS PROGRAMMING

For companies without a centralized corporate wellbeing strategy, many allow each office location or market area to engage employees at a local level.

Examples:

- Weight Watchers Program
- Office sponsorship of charity walks/runs (i.e. Race for the Cure)
- · Onsite fitness classes

BUDGET: \$

STAFF: Local level only

COMMUNICATIONS: Local level & possible

limited corporate support

PROGRAM CUSTOMIZATION: Highly

customized by local market



CORPORATE WELLBEING PLATFORM & PROGRAMMING

Single platform for all wellbeing initiatives offered at a corporate level to all employees. The platform may include incentives for engagement in programming such as wearable tracking devices, wellness campaigns & biometric screenings.

Examples:

- Virgin Pulse
- Vitality
- Navigate

BUDGET: \$\$\$

STAFF: Corporate HR liaison, program manager offered with 3rd party platform **COMMUNICATIONS:** 3rd party support from

platform vendor

PROGRAM CUSTOMIZATION: Moderate customization dependent on platform vendor. Integration of outside solutions

possible.



SINGLE BRAND – MULTIPLE VENDOR PROGRAMMING

Single branded corporate wellbeing program with multiple pin-point vendor solutions & programs, including physical, mental, financial & social wellbeing. A single communication hub or app may be used to create an easy user experience.

Examples of Solutions:

- · EAP or mental health solution
- Gym reimbursement
- Lifestyle funds
- Student loan repayment
- Community action

BUDGET: \$\$\$ (depends on communications portal needs and number of vendors integrated) **STAFF:** Corporate staff needed **COMMUNICATIONS:** In-house, 3rd party

branding & communications hub possible **PROGRAM CUSTOMIZATION:** Highly customized with ability to remove programs without changing entire

platform.



IMA WHOLE HEALTH

IMA's Whole Health practice targets three strategic areas to provide robust solutions that fit every clients' need.

| | PREVENTION | FINANCIAL WELLBEING | MENTAL HEALTH |
|------|---|---|---|
| WHAT | Action taken to decrease the chance of getting a disease or condition | One's ability to manage expenses, prepare for and recover from financial shocks, have minimal debt, and the ability to build wealth | A person's condition with regard to their cognitive, behavioral and emotional well-being |
| WHY | Chronic diseases are the leading causes of death and disability The major causes of chronic diseases are known, and if these risk factors were eliminated, at least 80% of all heart disease, stroke and type 2 diabetes would be prevented; over 40% of cancer would be prevented 75% of our health care dollars are devoted to treat chronic diseases | 54% of U.S. adults say financial or money matters/challenges cause them the most stress (followed by work, relationships, then health) 38% of U.S. adults have less than \$1,000 saved for unexpected expenses 81% of Millennials, 75% of Gen X, and 52% of Baby Boomers are likely to be attracted to another company that cares more about their financial well-being than their current employer | 21% of all U.S. adults (51.5 million) have a mental illness, yet 55% are not receiving treatment Depression is estimated to cause 200 million lost workdays each year at a cost of \$17-\$44 billion to employers 65% of U.S. employees don't feel their employer offers benefits or programs that help support or improve their mental wellbeing |

HOW

- Health coaching
- Telehealth
- PCP visits/screenings
- Wellness programs
- Nutrition and fitness solutions
- Tobacco cessation programs

- · Retirement planning
- Financial advising
- · Budgeting tools
- FSA/HSA education
- Student debt assistance
- Financial education programs

- EAP
- Digital/telephonic therapy
- Self-guided programs
- Telehealth
- Campaigns to remove stigma
- Stress management programs



WHOLE HEALTH SUPPORT







Singular Strategy Consulting

- Building wellness committees
- Whole Health strategies (participation to outcomes, starting from scratch, etc.)
- Tobacco initiatives (surcharges, tobacco-free policies, best practices, etc.)
- Incentive strategies (timing, best practices, vendors, etc.)

Vendor Partner Guidance/RFP's

- Full RFP or just narrow down the options
- Screenings, flu shots, wellness portals
- Liaison between client and vendor
- Contracting/negotiations

Communication Planning

- Year-long communication calendar
- Ready-to-send emails and flyers

ICHRA FEASIBILITY ANALYSIS

Sample Company

February 16, 2023

Kevin Handzlik, MBA, CEBS **Sarah Coates,** CEBS



SNAPSHOT

Sample Company

Current vs. ICHRA Annualized Premiums



^{*}Assumes current enrollees elect a similar coverage tier and plan design for a 4/1/2023 ICHRA start date.

Option 1

- Contributions are based on the employees' age
- 18% (\$227,207) savings for the employer
- 25% (\$131,964) savings for the employee

Option 2

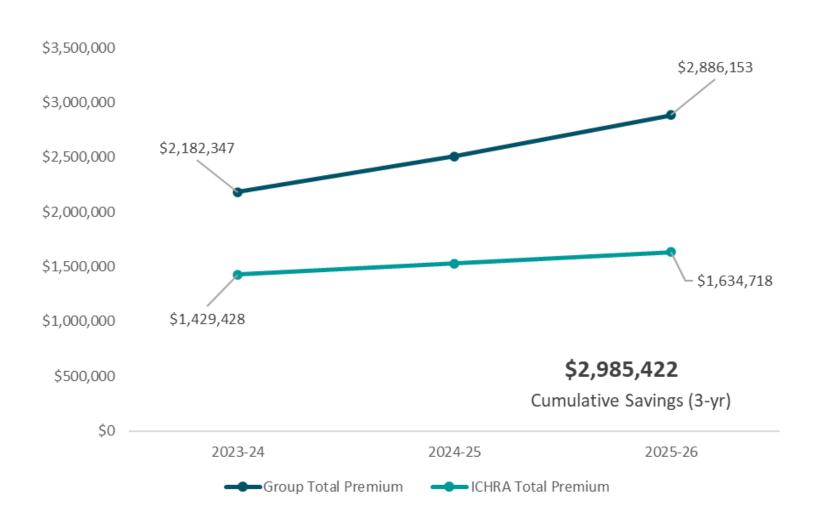
- Contributions are based on the employees' age (adjusted)
- 10% (\$122,423) savings for the employer
- 44% (\$236,665) savings for the employee



TOTAL PREMIUM COMPARISON

Sample Company 3-Year Total Premium Comparison

Comparable Plan



Assumptions

- Massachusetts average individual market increases were 5.2%, 7.0%, 6.3%, and 9.3% for 2020, 2021, 2022, and 2023, respectively, per the Massachusetts Department of Insurance
- Average Group increase of 15% annually
- Average ICHRA increase based on individual market resulting in 6.9% for 2024-25 and 2025-26.

IMPACT TO EMPLOYEES

Current Enrollment



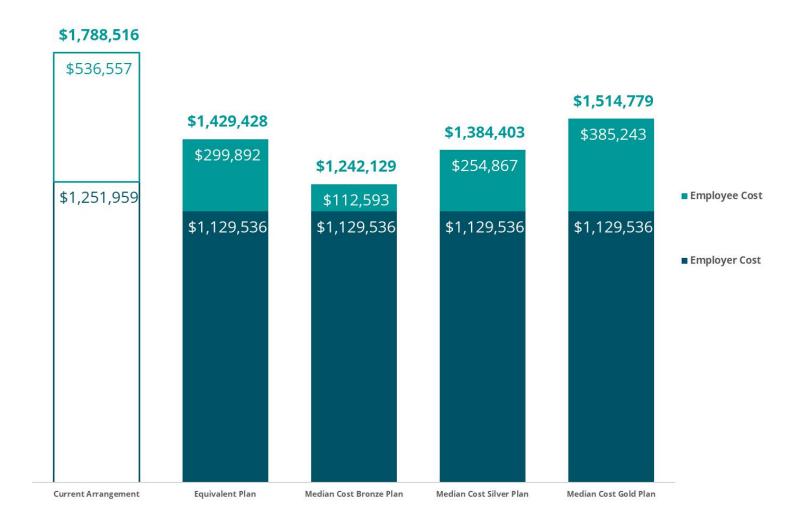
168 Enrolled Employees

276 Total Eligible Employees

61% Percentage Enrolled



Metal Level Comparison



- Evaluates employees total spend based on election in various metal level plans
- Uses the recommended employer contributions displayed on the previous page
- Assumes current enrollment

IMPACT TO EMPLOYEES

Example: 44-Year-Old MA Employee

| | Current Plan | Bronze Plan | Comparable Plan | Gold Plan |
|-----------------|--------------------|-----------------|---------------------|---------------------|
| CARRIER | Health New England | Harvard Pilgrim | Health New England | Health New England |
| NETWORK | Health New England | HMO FLEX | FULLY FUNDED HMO | FULLY FUNDED HMO |
| DEDUCTIBLE | \$3,000 | \$3,300 | \$3,000 | \$1,000 |
| OOP MAX | \$6,000 | \$7,500 | \$7,800 | \$6,000 |
| COINSURANCE | 0% | 0% | 0% | 0% |
| PRIMARY CARE | \$40 | \$60 | \$40 | \$25 |
| | | | | |
| MONTHLY PREMIUM | \$663.13 | \$389.50 | \$427.51 | \$531.45 |
| ER CONTRIBUTION | \$464.19 | \$325.00 | \$325.00 | \$325.00 |
| | | | | |
| EE CONTRIBUTION | \$198.94 | \$64.50 | \$102.51 | \$206.45 |

^{*}Assumes the **recommended option** for employer contributions is selected.

- Represents a current enrollee's actual plan and pricing options
- Example employee uses age and location to best represent the overall group
- Median cost metal options are displayed above

IMPACT TO EMPLOYEES

Example Employee with \$15,000 of Claims Throughout the Plan Year

| | Current Health New England Plan | ICHRA Health New England Silver Plan | ICHRA Health New England Gold Plan |
|--|--|--------------------------------------|------------------------------------|
| Plan Deductible | \$3,000 | \$3,000 | \$1,000 |
| Primary Care Copay (3 Visits) | \$120 | \$120 | \$75 |
| Specialist Copay (9 Visits) | \$720 | \$540 | \$360 |
| Emergency Room Copay (2 Visits) | \$500 | \$1,000 | \$500 |
| Hospital Copay (1 Admission) | \$500 | \$1,000 | \$100 |
| Misc. Cost Share | \$600 | \$600 | \$600 |
| Deductibles (Misc. Cost Share) | \$600 | \$600 | \$600 |
| Copayments | \$1,840 | \$2,660 | \$1,035 |
| Annual Employee Contributions | \$2,387 | \$1,230 | \$2,477 |
| | | | |
| Total Employee Would Pay | \$4,827 | \$4,490 | \$4,112 |

- Represents a current enrollee's actual group and potential ICHRA plan options
- Costs shown above are based around an example of an enrollee with various claims throughout the plan year, not a specific condition or procedure

CONTRIBUTIONS

Option 1

Comparable Plan

| | Current Annual Cost | Option 1 Annual Cost | Employer Annual (Savings) / Cost |
|----------|------------------------|-------------------------|--|
| EMPLOYER | \$1,251,959 | \$1,024,752 | (\$227,207) |
| EMPLOYEE | \$536,557 | \$404,593 | (18%) |

Chart 1

| | Option 1 Monthly Employer Contributions | | | | | |
|-------|---|----------------------|--------------------------|----------------------|--|--|
| Age | Employee | Employee + Spouse | Employee + Child(ren) | Employee + Family | | |
| 18-23 | \$179.00 | \$358.00 | \$358.00 | \$537.00 | | |
| 24-25 | \$192.00 | \$384.00 | \$384.00 | \$576.00 | | |
| 26-34 | \$223.00 | \$446.00 | \$446.00 | \$669.00 | | |
| 35-40 | \$239.00 | \$478.00 | \$478.00 | \$717.00 | | |
| 41-43 | \$241.00 | \$482.00 | \$482.00 | \$723.00 | | |
| 44-45 | \$295.00 | \$590.00 | \$590.00 | \$885.00 | | |
| 46-47 | \$301.00 | \$602.00 | \$602.00 | \$903.00 | | |
| 48-48 | \$315.00 | \$630.00 | \$630.00 | \$945.00 | | |
| 49-52 | \$346.00 | \$692.00 | \$692.00 | \$1,038.00 | | |
| 53-53 | \$395.00 | \$790.00 | \$790.00 | \$1,185.00 | | |
| 54-58 | \$396.00 | \$792.00 | \$792.00 | \$1,188.00 | | |
| 59-59 | \$466.00 | \$932.00 | \$932.00 | \$1,398.00 | | |
| 60+ | \$536.00 | \$1,072.00 | \$1,072.00 | \$1,608.00 | | |

Chart 2

| Premium Change | Employees Impacted | | |
|------------------------|-----------------------|---------|--|
| From Current | ICHRA | Renewal | |
| 25% + Cost Increase | 3 | 0 | |
| 15 - 25% Cost Increase | 5 | 168 | |
| 0 - 15% Cost Increase | 10 | 0 | |
| 0 - 15% Cost Decrease | 30 | 0 | |
| 15 - 25% Cost Decrease | <i>55</i> | 0 | |
| 25% + Cost Decrease | 65 | 0 | |

Renewal numbers are based on the current health plan renewal

- Chart 1 displays employer contributions based on age group and tier election
- Chart 2 displays the cost effect to enrolled employees
- Employer contributions can be restructured or changed if requested

CONTRIBUTIONS

Option 2 - Recommended

Comparable Plan

| Current Annual Cost | | Option 2 Annual Cost |
|------------------------|-------------|-------------------------|
| EMPLOYER | \$1,251,959 | \$1,129,536 |
| EMPLOYEE | \$536,557 | \$299,892 |



Chart 1

| Option 2 Monthly Employer Contributions | | | | | | | |
|---|----------|---------------------|--------------------------|----------------------|--|--|--|
| Age | Employee | Employee +Spouse | Employee + Child(ren) | Employee + Family | | | |
| 18-23 | \$197.00 | \$394.00 | \$394.00 | \$591.00 | | | |
| 24-25 | \$211.00 | \$422.00 | \$422.00 | \$633.00 | | | |
| 26-40 | \$264.00 | \$528.00 | \$528.00 | \$792.00 | | | |
| 41-43 | \$265.00 | \$530.00 | \$530.00 | \$795.00 | | | |
| 44-45 | \$325.00 | \$650.00 | \$650.00 | \$975.00 | | | |
| 46-47 | \$331.00 | \$662.00 | \$662.00 | \$993.00 | | | |
| 48-48 | \$347.00 | \$694.00 | \$694.00 | \$1,041.00 | | | |
| 49-52 | \$381.00 | \$762.00 | \$762.00 | \$1,143.00 | | | |
| 53-53 | \$435.00 | \$870.00 | \$870.00 | \$1,305.00 | | | |
| 54-55 | \$436.00 | \$872.00 | \$872.00 | \$1,308.00 | | | |
| 56-58 | \$479.00 | \$958.00 | \$958.00 | \$1,437.00 | | | |
| 59-59 | \$513.00 | \$1,026.00 | \$1,026.00 | \$1,539.00 | | | |
| 60+ | \$590.00 | \$1,180.00 | \$1,180.00 | \$1,770.00 | | | |

Chart 2

| Premium Change | Employees Impacted | | | |
|------------------------|-----------------------|---------|--|--|
| From Current | ICHRA | Renewal | | |
| 25% + Cost Increase | 0 | 0 | | |
| 15 - 25% Cost Increase | 0 | 168 | | |
| 0 - 15% Cost Increase | 0 | 0 | | |
| 0 - 15% Cost Decrease | 7 | 0 | | |
| 15 - 25% Cost Decrease | 22 | 0 | | |
| 25% + Cost Decrease | 139 | 0 | | |

Renewal numbers are based on the current health plan renewal

- Chart 1 displays employer contributions based on age group and tier election
- Chart 2 displays the cost effect to enrolled employees
- Employer contributions can be restructured or changed if requested



WHY BAVVY?

Bavvy provides an innovative solution for employer-sponsored health benefits. It combines the advantages of offering an ICHRA with Milliman's powerful analysis and strategic process.

THE ADVANTAGES

What are the benefits of ICHRAs?

- **Cost-Effective:** Employers easily control costs and maintain their health benefits budget
- **Empowered Employees:** Employees choose their individual coverage based on their needs
- **Retention:** Employers remain competitive and attract/retain top talent
- **Flexibility:** ICHRAs are tax-free, there are no minimum participation requirements, no min/max contribution limits, and no annual rate hikes

ICHRA Feasibility Analysis (IFA)

The ICHRA Feasibility Analysis (IFA) answers two main questions:

- How do I know if ICHRAs are a good fit?
- What should my budget be to meet affordability?

Milliman runs employer contribution scenarios based on the minimum affordability for each group and assesses if an ICHRA is viable. By using census information and key market data, the analysis predicts the estimated savings or costs for the employer and employee.

To determine contributions, the affordability baseline is defined ensuring ACA guidelines are met. Milliman then works with the broker or employer to establish a contribution structure that meets the budget. By changing tier factors and band scenarios, potential savings are optimized.

Once contributions are set, our consulting and implementation teams will work with the employer to set a pre-funding amount to deduct from the employer's bank account for open enrollment. This amount initiates the process of funding employees' full premiums a month in advance. Once funded, employers will be able to recoup the employees' portion of the premium via payroll deductions.



How is affordability determined?

In performing our analysis, we rely on four primary variables when determining affordability. These are location, age, lowest cost silver plan, and the rate of pay test as defined by the Affordable Care Act (ACA).



How can we class our employees?

Employers have the option to take advantage of the employee class structures below. Classing employees can help the employer solve for a variety of unique situations such as budget constraints or employee retention, attraction, and equity. Employee classing can be used for the entire population or for a segment of the group (ICHRA carve-out).

Once affordability is defined, we work with you to optimize classing options and contribution scenarios.

Full-time & Part-time employees

Salaried & Hourly employees

Employees in different locations, based on rating areas

Temporary employees of staffing firms

Seasonal employees

Employees covered under a collective bargaining agreement

Employees in a waiting period

Foreign employees who work abroad

A combination of two or more of the above

Pricing

Pricing is based on Bavvy's proprietary banking system, consulting services including the IFA and classing options, technology platform, support from the Customer Success Team, and access to Bavvy's individual health marketplace resulting in fees of \$35 PEPM. We assumed Sample Broker fees of \$25 PEPM for a total PEPM of \$60. All fees are included in the estimated savings/costs of this report. If enrollment levels, plan designs, salary, vendors, or locations should change dramatically, this number should be updated with new information.

Assumptions & Methodology

The steps we used to arrive at the results are outlined below:

- We received current census and premium data from Sample Company and Sample Broker. Any zip code that could reside in multiple counties was mapped to an individual county based on Milliman's discretion for conservatism.
- To calculate Affordable Care Act (ACA) affordability, all active employees were taken into consideration. We have assumed the census information received includes all benefit eligible employees for Sample Company.
- When performing our alternative scenarios, we assumed that those employees electing coverage would continue to elect coverage in similar tiers and that employees waiving coverage would continue to waive coverage unless instructed otherwise by you.
- The Rate of Pay Test affordability criteria was followed from the most recent set of guidelines established by the ACA, which is based on 9.12% of an employee's annual salary or hourly pay rate for 2023. When we received salary information for an employee, we assumed that employee is considered salaried. When we received hourly pay rate information for an employee, we assumed that employee is considered hourly. We used hourly pay rate information when both salary information and hourly pay rate information were available.
- The plan premiums were provided by Ideon (formerly Vericred). We relied on these premiums without audit in this analysis.

Reliance & Limitations

In performing our analysis, we relied on data provided to us by Sample Broker. We have neither verified nor audited the accuracy of the data contained in the files. If the underlying data is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. Where practicable, the data was reviewed for consistency and reasonableness.

This analysis is intended to be affordable (as defined under currently applicable Affordable Care Act rules) as of the date it was ran, based on the information you provided. If any of the facts on which this analysis was run change (e.g., you hire employees in different geographies or at different rates of pay), the ICHRA may become unaffordable for a portion or more of your employees.

Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is likely that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

The services provided for this project were performed under the signed Consulting Services Agreement between Milliman and Sample Broker dated January 1, 2022. This report and the models herein have been prepared for the internal use of Sample Broker in their relationship with Sample Company and are only to be relied upon by those organizations. No portion may be provided to any other party without Milliman's prior written consent. Milliman does not intend to benefit any other recipient of this report, even if Milliman consents to the release of this report to that recipient. Please contact us if you have any questions.



EMPLOYEE EXPERIENCE: VOICE OF THE EMPLOYEE





VOICE OF THE EMPLOYEE



Employee Value Proposition Development

Craft an employee value proposition that your people help to create.



Feedback Culture Training

Help training your employees to understand their organization's feedback philosophy and help them to provide feedback that's meaningful.



Focus Groups/ Leader Interviews

Surveys are not the only feedback collection method. Diversified can help facilitate conversations and act as a trusted 3rd party facilitator.



Design Thinking Workshops

When problems are uncovered, they need to be solved. Diversified can facilitate a process to find the right solution and help the business move forward.



Employee Marketing Support

A huge component to taking action is communication. IMA can work with leadership and marketing teams to ensure the right message reaches employees.



Action Committee Facilitation

Leaders can't be responsible for all of the work. Diversified can help you identify and assemble teams within the organization that can implement action plans.

VOICE OF THE EMPLOYEE

The VOE consulting practice is committed to providing clients with their own employees' feedback to drive benefits strategy. Through a series of surveys, IMA provides companies with actionable data that helps inform HR's most difficult decisions.



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Craft an employee value proposition that your people help to create.



Feedback Culture Training

Help training your employees to understand their organization's feedback philosophy and help them to provide feedback that's meaningful.



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IMA empowers

IMA SURVEY TOOLS & CAPABILITIES

VOICE OF THE EMPLOYEE

OUR TOOL FOR CAPTURING EMPLOYEE INSIGHTS



We help our clients capture meaningful feedback from their employees.

1

Customized Employee Feedback on Topics that Matter to Your Organization

Topic include but are not limited to safety perception, benefits preferences, DEI, and employee engagement.

2

Advanced Survey & Analytics Technology

Our tool enables us to capture & present insights in a meaningful way; allowing you to act on the data.



Employees who feel their voice is heard are 4.6X more likely to feel empowered to do their best work. - Salesforce

3

Integration of VOE Into Your Important Corporate Initiatives

Use VOE to inform your internal teams on things like recruiting & retention efforts, safety protocols, DEI programs and more.





SURVEY QUESTION LIBRARY

Custom

EVP Development Culture KPIs

Values Alignment

COVID-19 / Return to Work

Personal check-in Tools & Resources

Corporate Communications

Return to work & Flexibility

Safety Perception

Culture & Management Hazard Identification

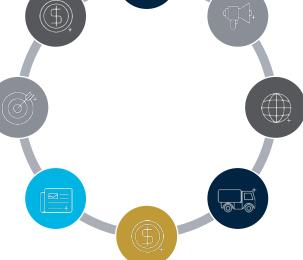
Training

Net Promoter Score

NPS

eNPS

Turnover Risk



Employee Engagement

Leadership

Career Growth

Pride

Relationships

DEI

Culture/Attitude towards DEI Discrimination

Interaction & Belonging

Benefits Preferences

Satisfaction with Plans & Networks Benefits Communication Preferences Importance Ranking

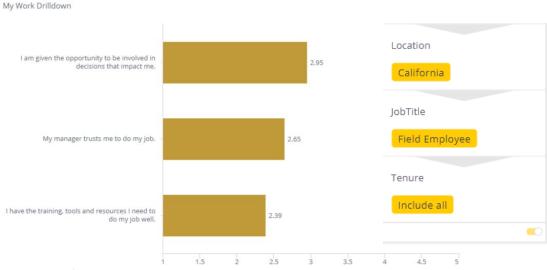
Total Rewards Preferences

Most & Least Important (MaxDiff)
Optimization Analysis



VOICE OF THE EMPLOYEE DASHBOARDS















Average Scores by Job Title

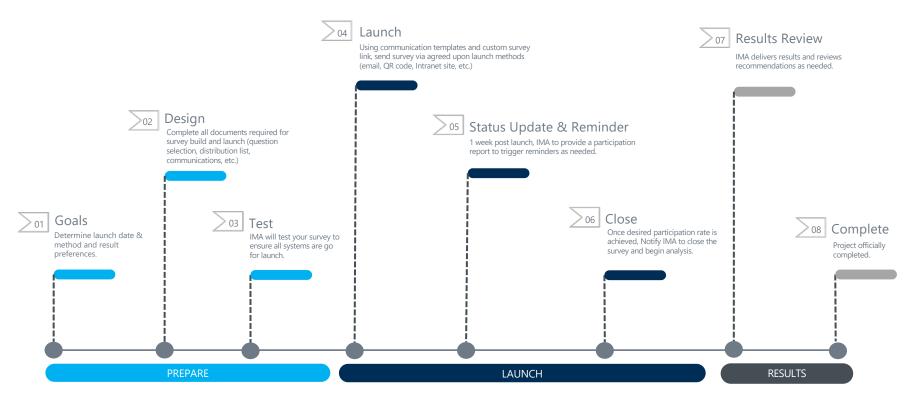
| | Job Titles | | | | | |
|---|------------|-------------------|---------------------|--------------------|--------------------|-------|
| Detail | Engineer | Field Employee | Field Supervisor | Office Employee | Project Manager | Sales |
| At my company positive safety performance is recogniz | 3.08 | 2.00 | 2.15 | 2.71 | 3.43 | 2.00 |
| I am satisfied with the safety rewards. | 2.27 | 4.50 | 3.08 | 3.10 | 2.92 | 3.67 |
| I am satisfied with the working conditions. | 3.36 | 4,33 | 2.50 | 3.78 | 2.53 | 2.00 |
| The rewards program has a positive effect on safety per | 3.00 | 5.00 | 3.50 | 2.89 | 3.36 | 3.83 |
| Working safely is positively recognized. | 3.25 | 4.33 | 4.25 | 2.78 | 3.29 | 2.83 |
| Working safely is positively rewarded. | 2.92 | 3.00 | 2.58 | 2.50 | 2.77 | 2.33 |







SAMPLE TIMELINE



Typically 2 Months





About IMA Financial Group

Based in North America, IMA Financial Group, Inc. is an integrated financial services company focused on protecting the assets of its widely varied client base through insurance, risk management, employee benefits and wealth management solutions. As an employee-owned company, IMA's 2,000-plus associates are empowered to provide customized solutions for their clients' unique needs.

IMACORP.COM