

# Smart Spending and Fiduciary Risks in Employee Benefits, Essential Strategies for FQHC leaders



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# About NFP

Largest defined contribution retirement advisor according to *NAPA*

**#7**

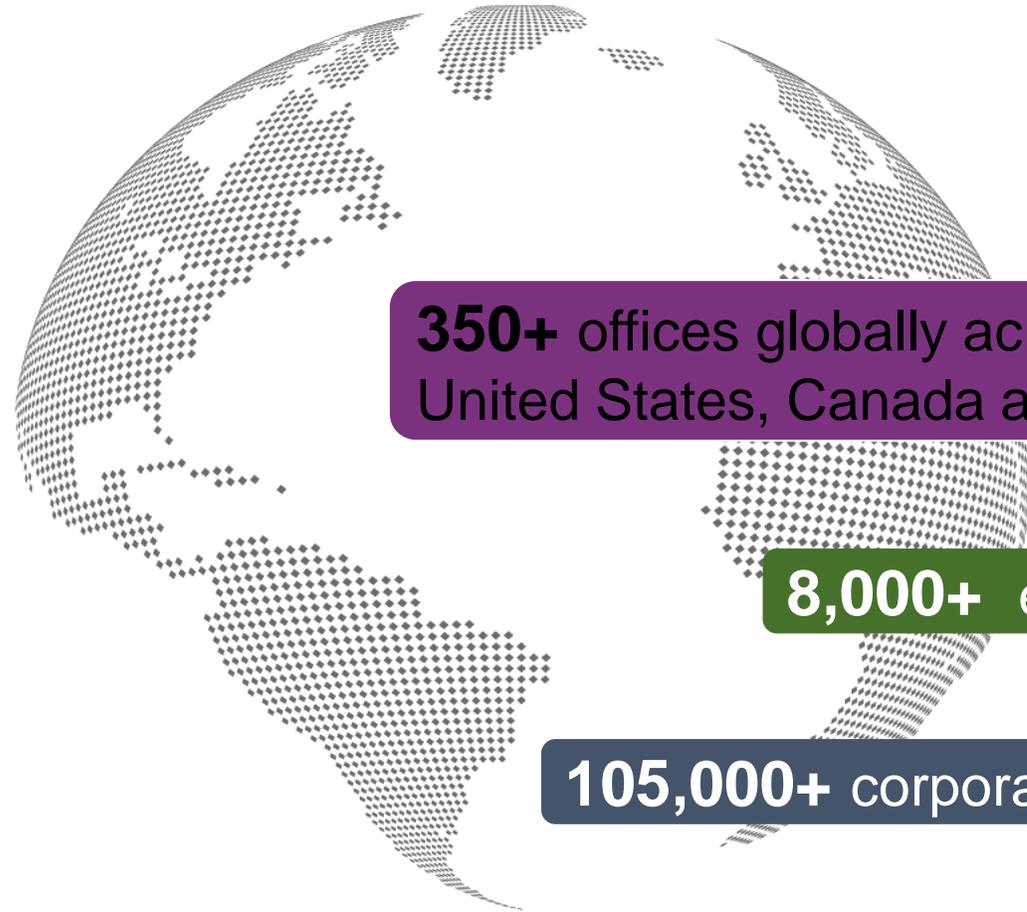
Largest benefits broker by global revenue according to *Business Insurance*

**#10**

largest property & casualty agency by total 2019 P&C revenue, as ranked by *Insurance Journal*

**#10**

largest global insurance broker according to *Best's Review*



**350+** offices globally across the United States, Canada and Europe

**8,000+** employees

**105,000+** corporate clients

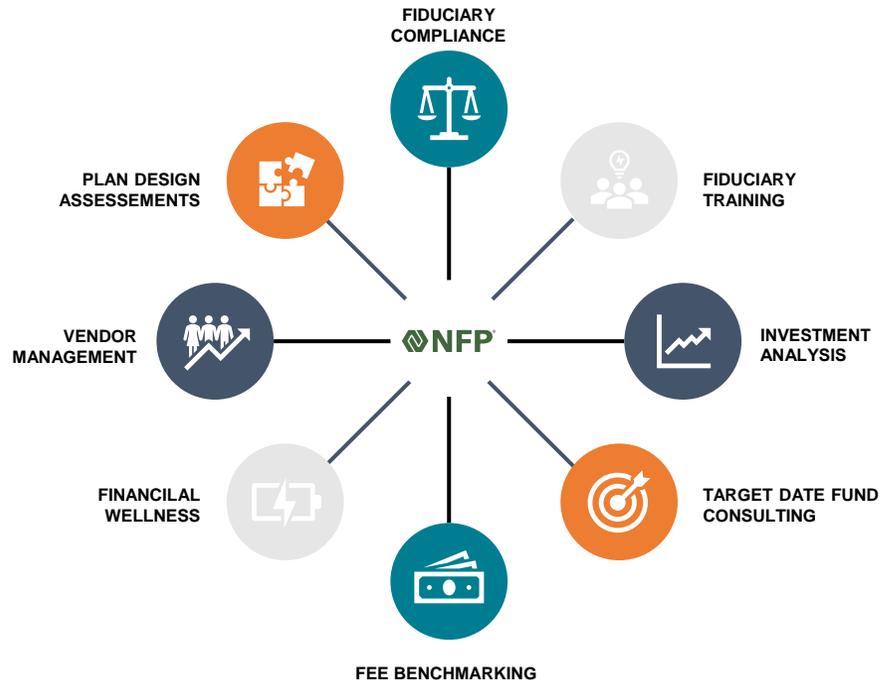
# Retirement Plan Healthcare Services

*Protect Plan Fiduciaries and Optimize Financial Wellbeing of Doctors, Providers, Nurses, Staff, and Executives.*

## Representative Clients



### Core Services



### Team Expertise

<b>100</b>	<b>PLAN ADVISORS</b>
<b>12</b>	<b>ERISA Attorneys</b>
<b>32</b>	<b>CFA's</b>
<b>15</b>	<b>Benchmarking Specialists</b>
<b>11</b>	<b>Education Specialists</b>

### Healthcare Experience

<b>Problems Solved</b>	<ul style="list-style-type: none"> <li>• Navigating Margin Compression</li> <li>• Supporting M&amp;A Harmonization and Compliance</li> <li>• Attracting and Retaining Talent</li> <li>• Employees Understanding Benefits</li> </ul>
<b>Solutions</b>	<ul style="list-style-type: none"> <li>• Financial Planning for Employees</li> <li>• Maximizing Contributions for Doctors, Providers, and Executives</li> <li>• Paying Reasonable Fees</li> <li>• Selecting Best in Class Investments</li> <li>• ERISA Fiduciary Protection</li> </ul>
<b>Industries</b>	<ul style="list-style-type: none"> <li>• Hospitals and Health Systems</li> <li>• Federally Qualified Health Centers</li> <li>• Pharmaceutical Companies</li> <li>• Doctors Groups</li> <li>• Traveling Nurses</li> <li>• Most Healthcare Industries</li> </ul>

# Our Consulting team will provide analyses on the following



**FIDUCIARY REVIEW AND LIABILITY ANALYSIS**



**INVESTMENT AND TARGET DATE ANALYSIS**



**FEE BENCHMARKING & PROVIDER NEGOTIATIONS**



**PLAN DESIGN REVIEW**



**Plan Governance Review**



**3(16), 3(21), 3(38) AND 404(C) NEEDS AND COMPLIANCE**



**PLAN OPERATIONS REVIEW**



**Superbuild**

# Agenda

1. ERISA Fiduciary Responsibilities
2. ERISA Litigation Trends
3. Fiduciary Governance Best Practices
4. Know your fees and services
5. ERISA Health and Welfare
6. Creative solutions
7. Dollars well spent



# ERISA Fiduciary Responsibilities and Best Practices

Presented by Christian D. Hancey





**ERISA**  
THE EMPLOYEE RETIREMENT  
INCOME SECURITY ACT

## Why ERISA

- Since its enactment in 1974, ERISA has regulated the conduct of fiduciaries with respect to the benefit plans for which they have investment or administrative responsibilities by establishing certain basic standards of care they must follow in conducting plan business.

# Fiduciary Oversight

- Nature of Fiduciary Oversight
  - The law demands that plan stewardship be an active undertaking. Fiduciaries must take measured step and follow a thoughtful and deliberative process.
- Requirement of Fiduciary Oversight
  - “ every employee benefit plan By law must provide for one or more named fiduciaries who jointly or severally shall have authority to control and manage the operation and administration of the plan.”



# Breach of Fiduciary Duties



- Any person who is a fiduciary with respect to a plan who breaches any of the responsibilities, obligations, or duties imposed upon fiduciaries... shall be **personally liable** to make good to such plan any losses to the plan resulting from each such breach, and to restore to such plan any profits of such fiduciary which have been made through use of assets of the plan by the fiduciary, and shall be subject to such other equitable or remedial relief as the court may deem appropriate, including removal of such fiduciary.

# Fiduciary Activities

- Appointing other plan fiduciaries
  - Selecting and monitoring plan investments
  - Selecting and monitoring third-party service providers
  - Interpreting plan provisions
  - Exercising discretion in approving or denying claims
- 
- Certain persons will qualify as fiduciaries because their duties inherently require the exercise of discretionary authority and responsibility:
    - Plan administrator
    - Investment committee members
    - Directors
    - Discretionary investment managers

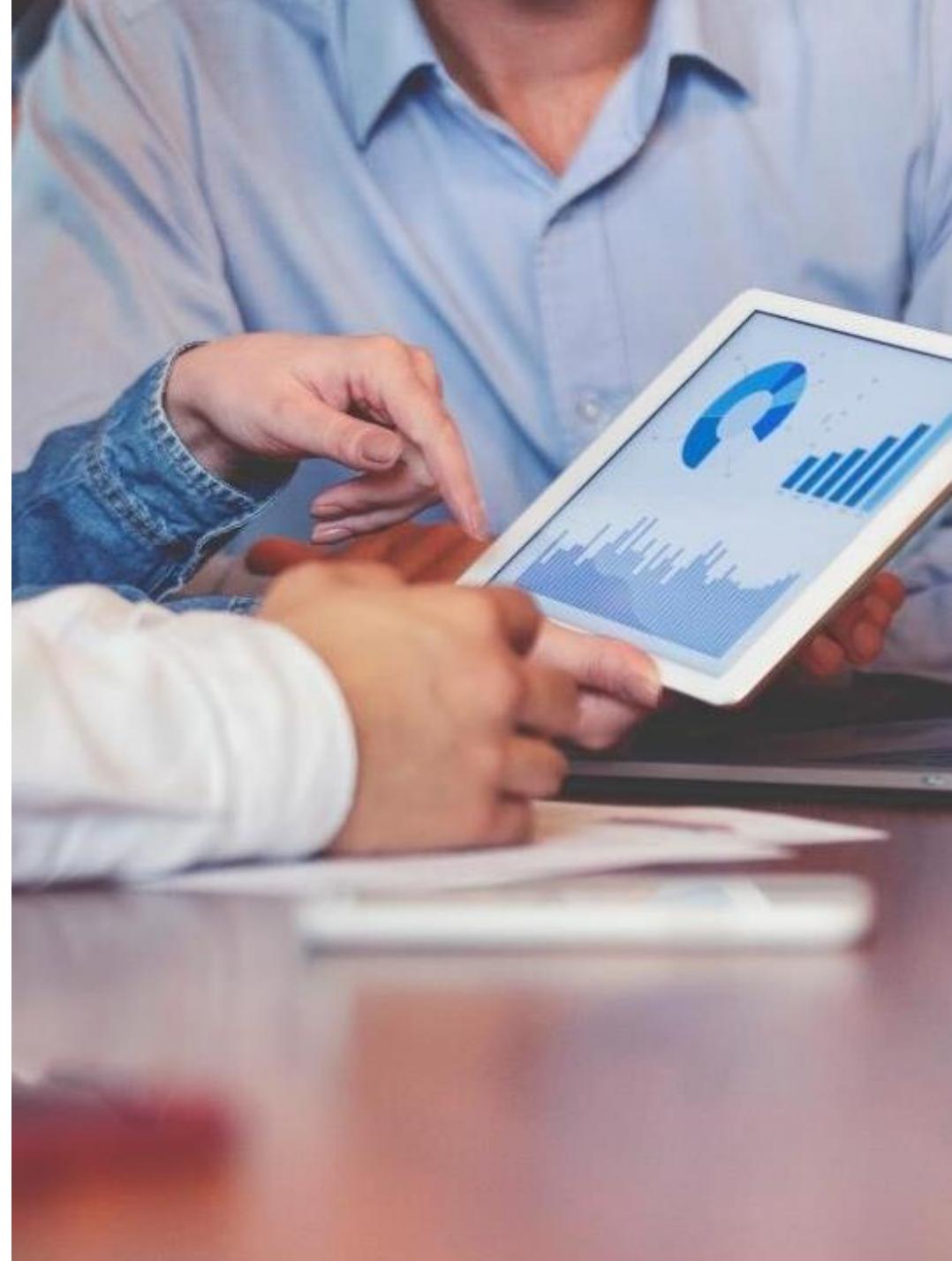


# However...

- A person is a fiduciary only to the extent the person is performing a fiduciary function.

# Settlor vs. Fiduciary Functions

- There is a recognized distinction between settlor (i.e., business) functions and fiduciary functions, though the line can be blurred
  - The most common settlor functions are design decisions, including:
    - establishing the plan
    - determining what employees are covered
    - determining benefits to be provided
    - amending or terminating the plan



A modern office building interior with a glass staircase and people in business attire. The scene is dimly lit, with a blue-tinted overlay. In the foreground, a woman in a dark suit is walking down the stairs, carrying a black briefcase. In the background, a man and a woman are standing on a higher level, looking at each other. To the left, two men are sitting at a small table, engaged in conversation. The architecture features large glass panels and metal railings.

# Fiduciary Duties

# Fiduciary Duties

- Duty of loyalty

- Duty of prudence

- Duty of diversification

**Duty to act in accordance with plan documents**

**Duty of disclosure**

**Duty to monitor**

# Duty of Loyalty

- Act for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the plan
  - Requires a fiduciary to have undivided loyalty
  - Any form of self-dealing constitutes a breach of this duty
    - Cannot use plan assets for own interest
    - Cannot favor interest of third-party over participants and beneficiaries



# Duty of Prudence

- Act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims
  - Actions will be judged as against those of a hypothetical person
  - Not limited to investment decisions alone
  - Process more important than results
  - So-called “procedural prudence” is grounded upon the conduct of the fiduciary, the extent of the fiduciary’s diligent investigation, and performance of acts consistent with the plan



# Duty of Diversification

- Diversify the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so
  - A plan fiduciary must diversify plan assets to minimize the risk of large losses, unless it is clearly prudent not to do so.



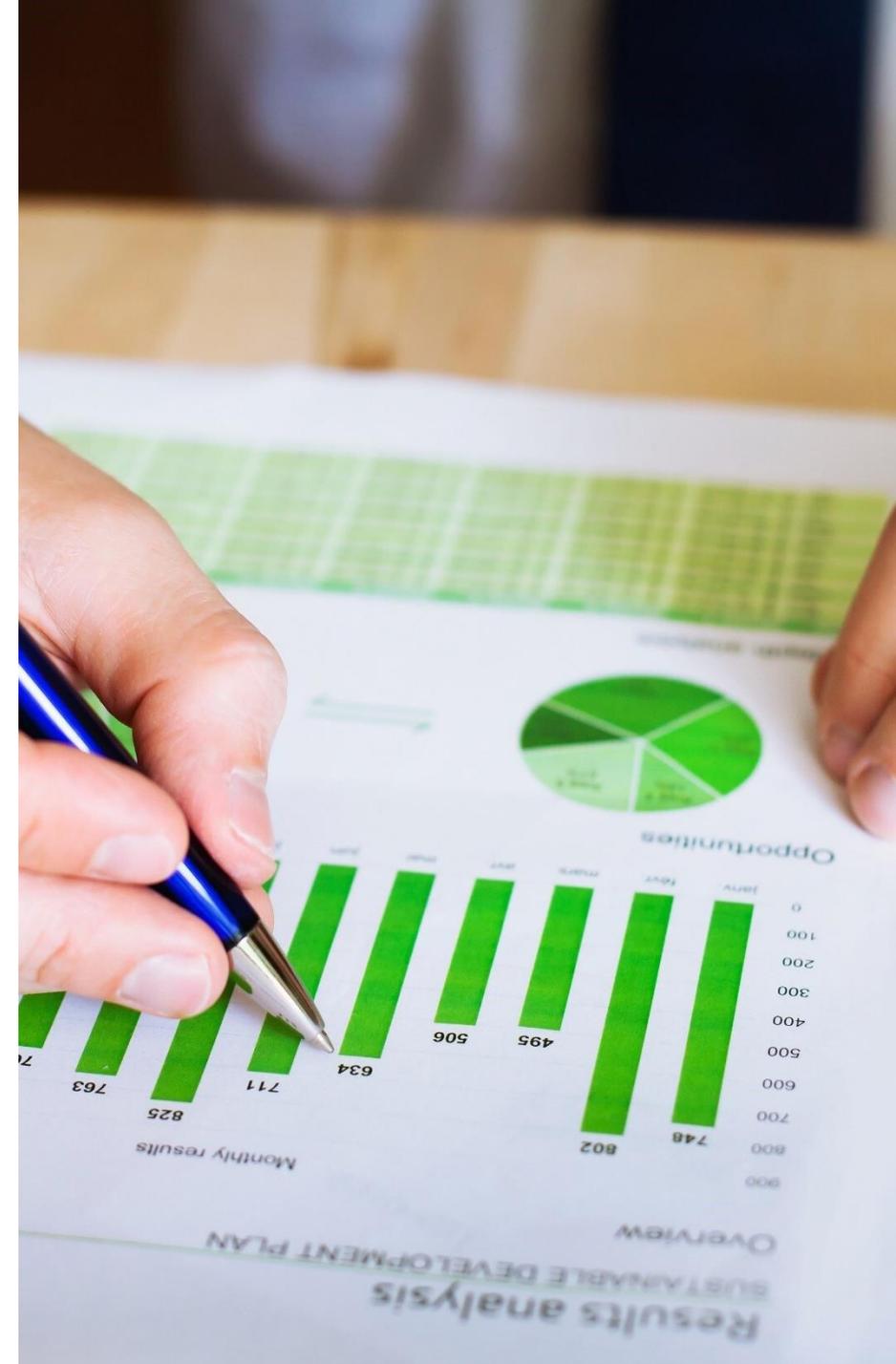
# Duty to Act in Accordance with Plan Documents

- Act in accordance with the documents and instruments governing the plan to the extent they are consistent with ERISA
  - The fiduciary of a plan subject to ERISA must discharge his or her duties in accordance with the documents and instruments governing the plan



# Duty of Disclosure

- At the request of a participant, a fiduciary must convey complete and correct material information
  - Duty may exist even if question is not asked. Focus is on whether information affects material interests



# Duty to Monitor

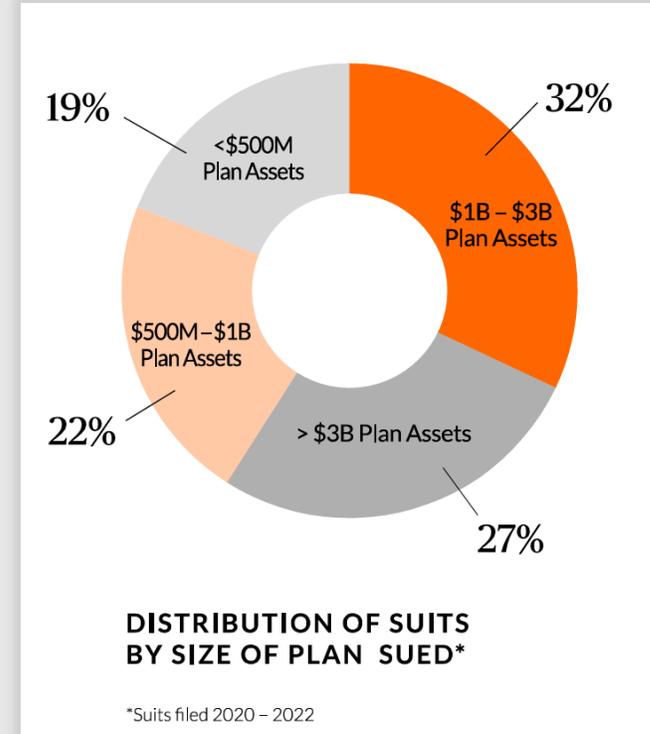
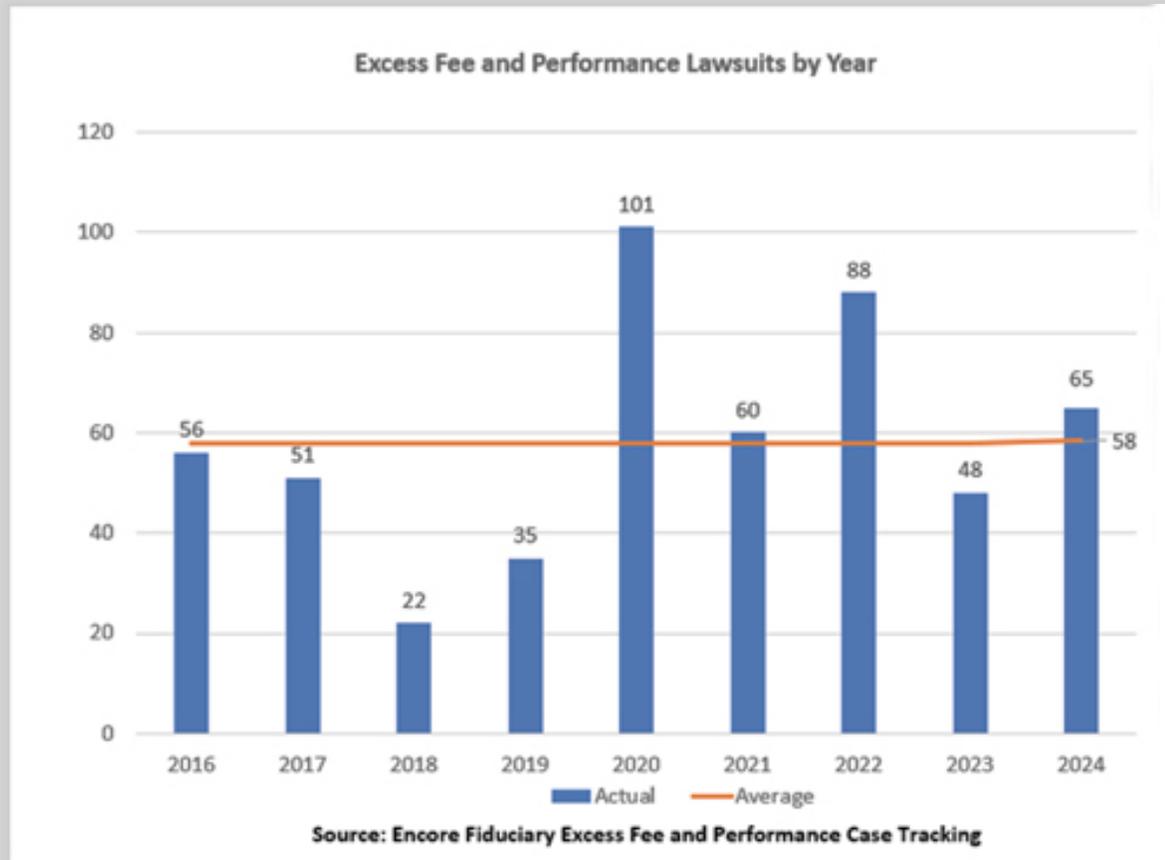
- The act of selecting plan service providers is an exercise of discretion over the management or administration of the plan or its assets and is, therefore, a fiduciary act
  - The fiduciary is under a continuing duty to monitor the service provider
  - May need to engage the services of a third-party to assist in evaluation (e.g., investment performance, investment fees)
  - Recent U.S. Supreme Court decision in *Northwestern University* case (2022) emphasizes the duty to monitor **all** plan investment options



A modern office interior featuring a prominent glass and metal staircase. In the background, a woman in a dark suit is walking down the stairs, carrying a black briefcase. On the upper level, a man and a woman in business attire are standing and talking. In the lower-left foreground, two men are seated at a small round table, engaged in a conversation. The entire scene is overlaid with a semi-transparent blue filter. The text "ERISA Litigation Trends" is centered in the middle of the image in a white, bold, sans-serif font.

# ERISA Litigation Trends

# Excessive Fee Litigation | Current Landscape

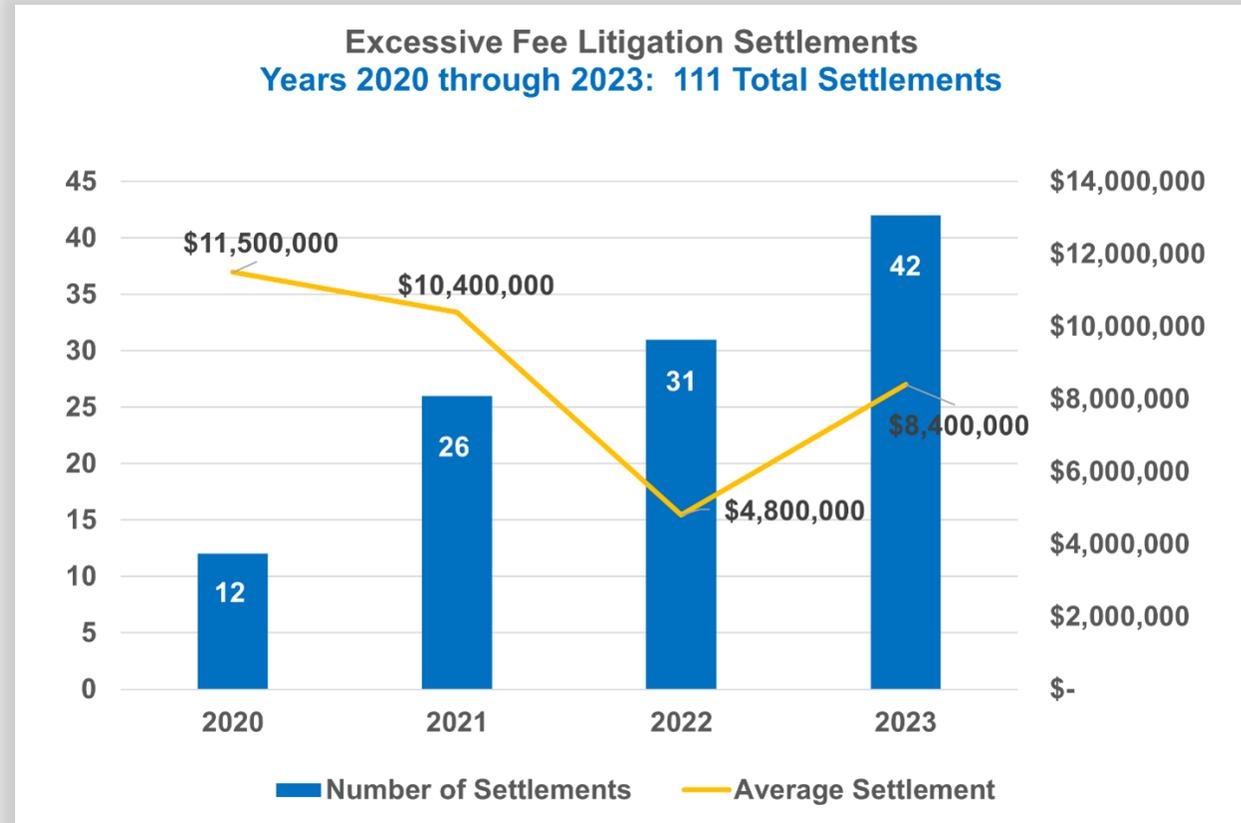
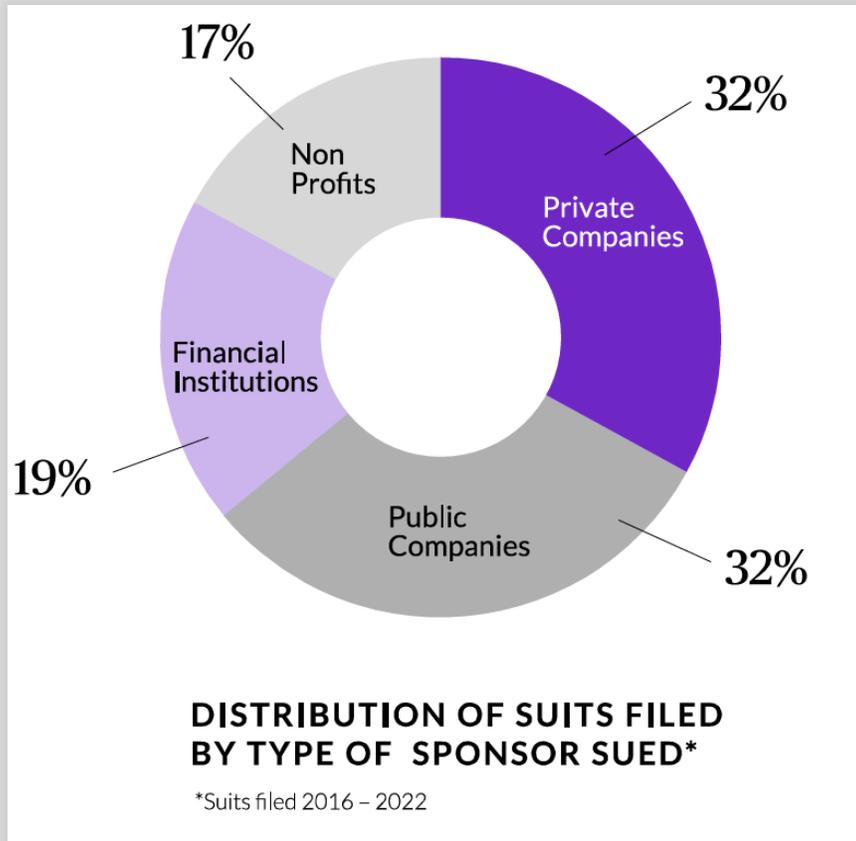


4-8% of all large plans with \$500+ million in plan assets are sued in any given year



\*SOURCE: Encore Fiduciary, "401(k) Excessive Fee Litigation Spiked to 'Near Record Pace' in '24" Chubb, Excessive Litigation of Excessive Plan Fees In 2023

# Excessive Fee Litigation | Current Landscape



\*SOURCE: Chubb, Excessive Litigation of Excessive Plan Fees In 2023

# Alleged Breaches of Fiduciary Duties

- Failing to offer low-cost investment options
  - Retail v. institutional share classes
  - Lower-cost index funds
- Failing to monitor plan recordkeeping fees
  - Fees exceed industry benchmarks
  - No competitive RFP for longstanding recordkeeper
  - Recordkeeping fees: percentage of assets v. fixed fees
  - Multiple recordkeepers for plan
- Offering underperforming investment options
  - 401(k) plans with BlackRock target-date funds targeted in 2022
- Misusing Plan Forfeitures - *new*
  - Now over 35 lawsuits filed with novel attack on plan forfeitures
  - Allege employer breached fiduciary duties by using plan forfeitures to reduce employer contributions instead of paying plan expenses otherwise borne by employees

# Changing Fiduciary Landscape

## Employee Benefits



### Key Lawsuits to Consider:

#### Johnson & Johnson (J&J)

- In *Lewandowski v. Johnson & Johnson*, plaintiffs alleged that J&J breached its fiduciary duties by failing to negotiate favorable pricing with its PBM, Express Scripts, leading to inflated prescription drug costs for plan participants. The court dismissed the case in January 2025 due to lack of standing, noting the plaintiff had reached her out-of-pocket maximum, rendering her injury non-redressable.

#### Wells Fargo

- Former employees sued Wells Fargo, claiming mismanagement of its health plan's prescription drug benefits resulted in excessive costs. The court dismissed the case in March 2025, citing lack of standing, as plaintiffs failed to demonstrate direct financial harm.

#### JPMorgan Chase

- In March 2025, JPMorgan faced a lawsuit alleging that fiduciaries allowed CVS Caremark to overcharge for generic drugs and retain manufacturer rebates, violating ERISA duties. The plaintiffs also claimed JPMorgan's business relationship with CVS influenced plan decisions, compromising fiduciary responsibilities.

# Changing Fiduciary Landscape

## Employee Benefits

### Emerging Trends in Fiduciary Litigation

- **Shift from Retirement to Health Plans:** Litigation strategies previously applied to 401(k) plans are now targeting health plans, focusing on excessive fees and mismanagement.
- **Increased Focus on PBMs:** Employers are being scrutinized for their oversight of PBMs, especially regarding drug pricing and rebate arrangements.
- **Regulatory Changes:** The Consolidated Appropriations Act of 2021 mandates greater transparency in health plan costs, increasing fiduciary responsibilities for employers.

### Best Practices for Employers

- **Audit PBM Contracts:** Regularly review agreements with PBMs to ensure competitive pricing and transparency.
- **Monitor Plan Expenses:** Implement oversight mechanisms to track and control health plan costs effectively.
- **Establish Fiduciary Committees:** Form dedicated committees to oversee health plan management, similar to retirement plan governance structures.
- **Ensure Compliance with Disclosure Requirements:** Adhere to regulations mandating the disclosure of plan information to participants

# Where are We Now?

- New case filings remain well above pre-pandemic levels
  - Six law firms are filing the majority of the cases
  - Smaller plans are being targeted in copycat suits
  - Insurance premium costs for ERISA fiduciary insurance have skyrocketed
- Is the tide beginning to turn?
  - Court rulings on the merits have favored employers, but early dismissals are lawsuits are inconsistent
  - Generic allegations of plan mismanagement may not survive a motion to dismiss, but plaintiffs' firms are learning how to sidestep an early dismissal



A modern office building interior featuring a prominent glass staircase. The scene is dimly lit, with a blue-tinted overlay. In the foreground, a woman in a dark suit is walking down the stairs, carrying a black briefcase. On the upper level, a man and a woman in business attire are standing and talking. In the lower level, two men are seated at a small table, engaged in a conversation. The architecture is characterized by clean lines and extensive use of glass railings and walls.

# Fiduciary Best Practices

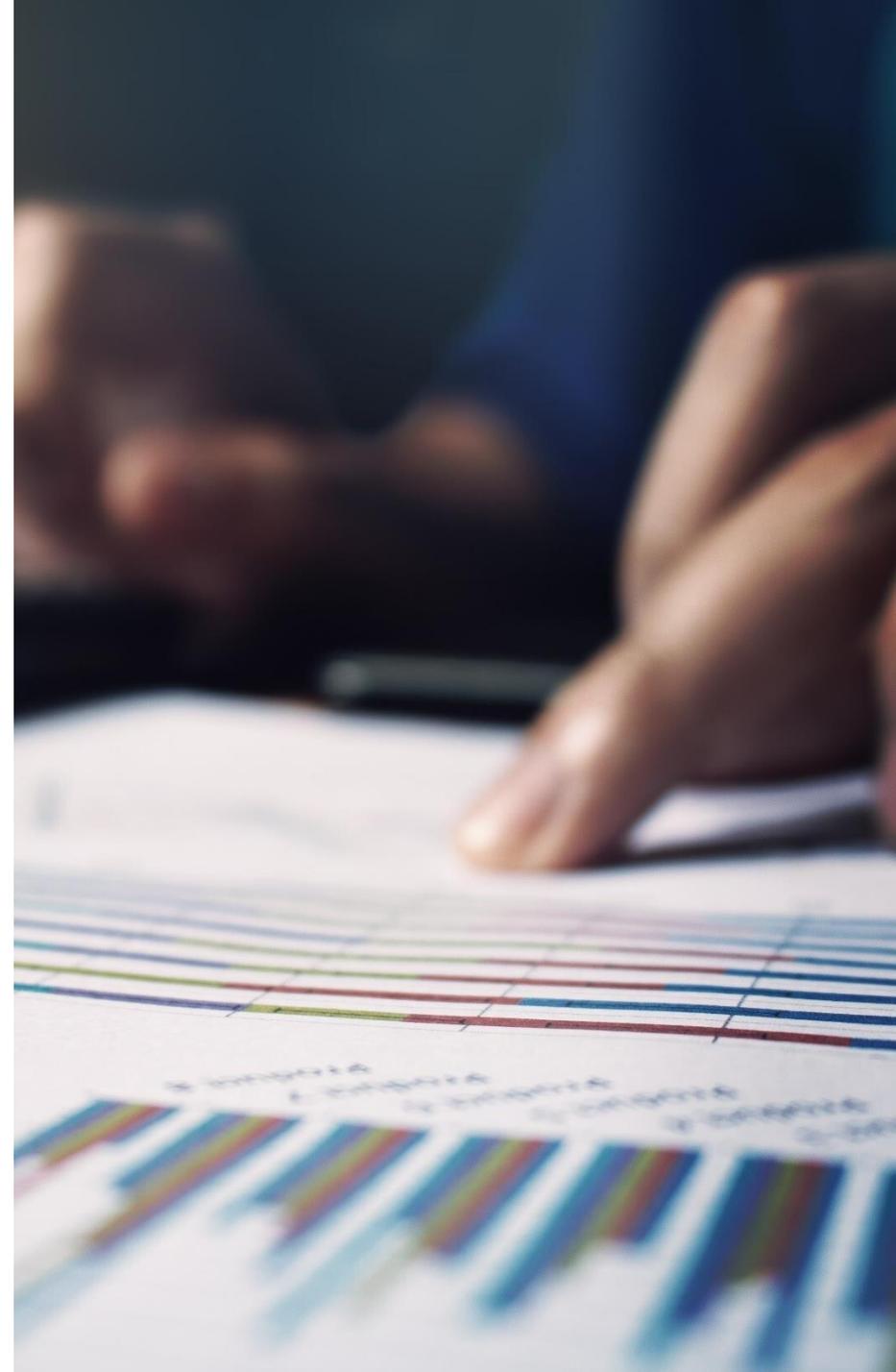


## All news is not Bad

- The sky is not falling, but fiduciary issues should be properly managed
- Following best practices and procedural due process goes a long way
- What approaches are best?

# Limiting Fiduciary Liability

- The foundations of good governance
  - **ERISA fiduciary committee** — meeting minutes critical!
  - **Engage a co-fiduciary plan consultant**— is your recordkeeper serving as your plan consultant?
  - **Monitor recordkeeping fees at least annually** — especially any uncapped revenue sharing
  - **Monitor investment fees at least annually** — especially availability of institutional share classes



# Limiting Fiduciary Liability

• Cont'd

- **Audit**
- **Governance**
  - Delineate lines of authority
  - Prepare/revise committee charter
  - Adopt/refine investment policy statement
  - Define issues of interest and standing agendas
  - Adopt other plan administration policies
    - Plan loan policy
    - QDRO policy
    - Missing participant policy
    - Cybersecurity policy



# Advisor Roles: No fiduciary vs. co-fiduciary vs. fiduciary

ROLE OF INVESTMENT ADVISOR	PRIMARY INVESTMENT FIDUCIARY	DUTY OF PRIMARY FIDUCIARY	FIDUCIARY PROTECTIONS UNDER ERISA
<p><b>No Advisor or Non-Fiduciary Advisor (broker/dealer)</b></p>	<p>Plan Sponsor</p>	<p>Engage in a prudent process; understand investment theories and industry practices</p>	<p>No safe harbor; must be able to support and document prudent process</p>
<p><b>ERISA Section 3(21) Investment Advisor</b> <b>Non-discretionary fiduciary</b></p>	<p>Plan Sponsor</p>	<p>Engage in a prudent process, assisted by advisor</p>	<p>No safe harbor; use of qualified advisor is some evidence of engaging in a prudent process</p>
<p><b>ERISA Section 3(38) Investment Manager</b> <b>Discretionary fiduciary</b></p>	<p>Due to discretion, advisor is primary fiduciary</p>	<p>The discretionary 3(38) advisor must engage in a prudent process</p>	<p>Safe harbor for plan sponsor for use of a qualified 3(38) Investment Manager</p>

# Fiduciary Education Modules

Inform and educate committee members regarding ERISA's fiduciary requirements.

## Fiduciary Administration

- Claims & Appeals Procedures
- IRS Audit
- DOL Audit
- Timely Deposit of Deferrals
- Exclusion of Deferrals
- Control Groups
- M&A
- Electronic Disclosures

## Fiduciary Processes

- Fiduciary File
- Selecting & Monitoring Service Providers
- Selecting & Monitoring Investments
- Target Date Analysis
- Investing in ER Securities & Real Estate
- Addressing Participant Experience
- Fee Levelization

## Fiduciary Risk Mitigation

- Minimizing Risk Strategies
- Prohibited Transactions
- 404a & 404c Compliance
- Regulatory Voluntary Corrections

## Fiduciary Disclosures

- 408(b)(2) Disclosure Regs
- 404a-5 Disclosure Regs

## Fiduciary Duties

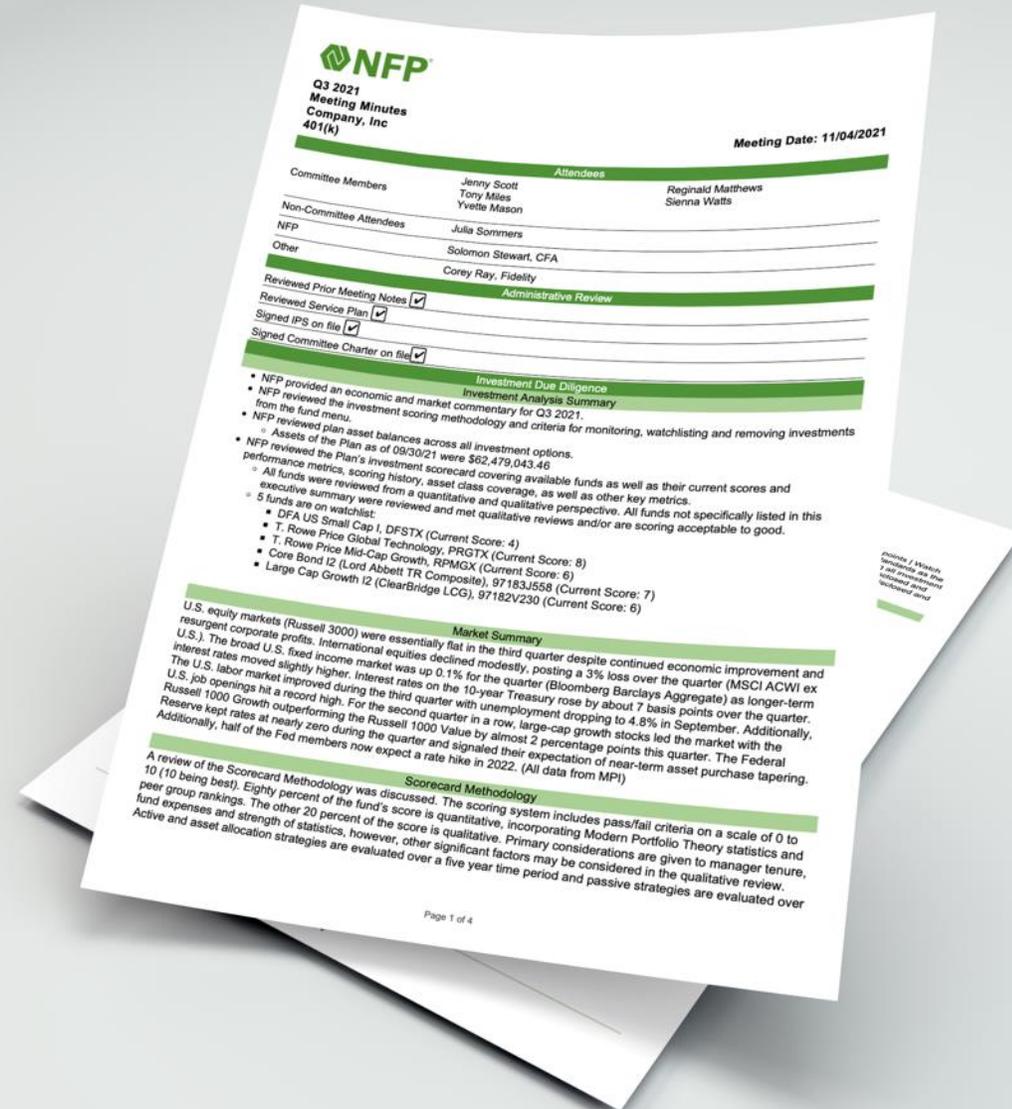
- Fiduciaries
- Fiduciary Responsibility
- Fiduciary Liabilities
- Investment Advice – Fiduciary Definition



# Documentation

## Web-based portal organizes and stores important fiduciary documents

- Investment committee charter
- Investment policy statement
- Investment monitoring reports
- Fee benchmarking reports
- Fiduciary compliance checklist
- Fiduciary file checklist
- Required notices and disclosures
- Meeting minutes



**Do you Have the  
Right Plan Type  
for your  
Organization?**

Retirement Plans

# Employer Plans

Filling the retirement income gap...

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Defined Benefit Plans

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Cash Balance Plans

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Money Purchase Plans

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401(k) Plans

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403(b) Plans

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Pooled Plans

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## Non-Qualified Plans...



## 401(k)

- Subject to ADP testing
- Access to low-cost collective investment trusts (CITs)
- Broader provider options
- Ability to create eligibility requirements for deferrals
- Ability to create eligibility requirements for employer contributions

## 403(b)

- Not subject to ADP testing
- No Access to low-cost collective investment trusts (yet)
- Limited but quality provider options
- Universal eligibility rule
- Ability to create eligibility requirements for employer contributions
- Sometimes have to deal with individual annuities

# Single Employer Plans (SEPs)

## Advantages

- Chooses all service providers who will work on the plan and monitor, review, and change the service provider(s) at its discretion.
- Allows an employer to fully customize its plan design and fund menu.
- Allows the most flexibility and custom brand/logo on materials

## Considerations

- Implementing a comprehensive custom plan requires the personnel and technical expertise to administer the retirement plan in accordance with ERISA, DOL and IRS regulations.
- For plans with more than 100 participants, the employer incurs 100% of plan audit expense.
- Retain total fiduciary liability and responsibility for the plan

# Pooled Employer Plan (PEPs)

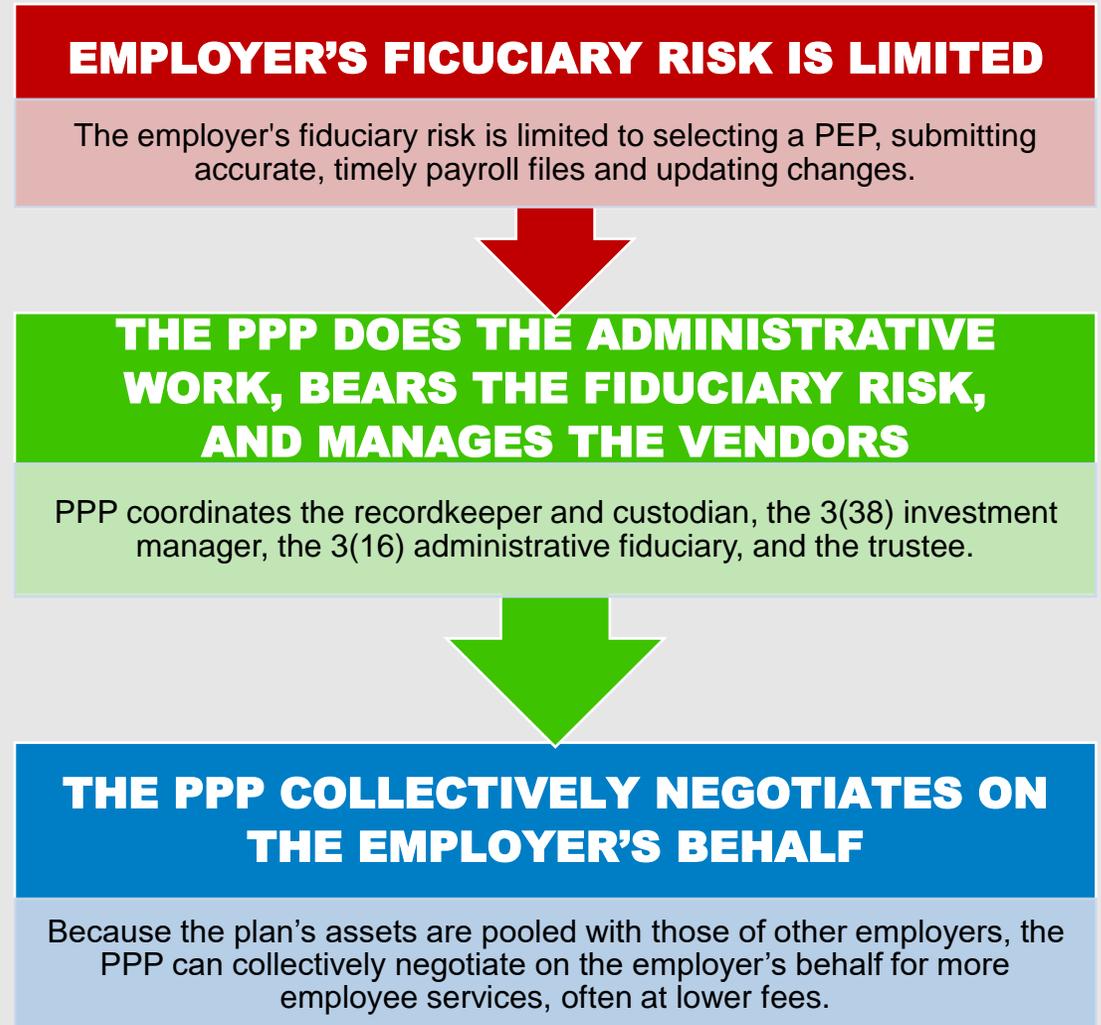
## Advantages

- PPP is the named plan fiduciary
- PPP/TPA has the technical knowledge to run the plan
- Single point of contact at the PPP
- Files one IRS Form
- Audit handled by the PPP
- Employer is not the Plan Sponsor
- Reduces compliance burden
- Minimizes risk and liability

## Considerations

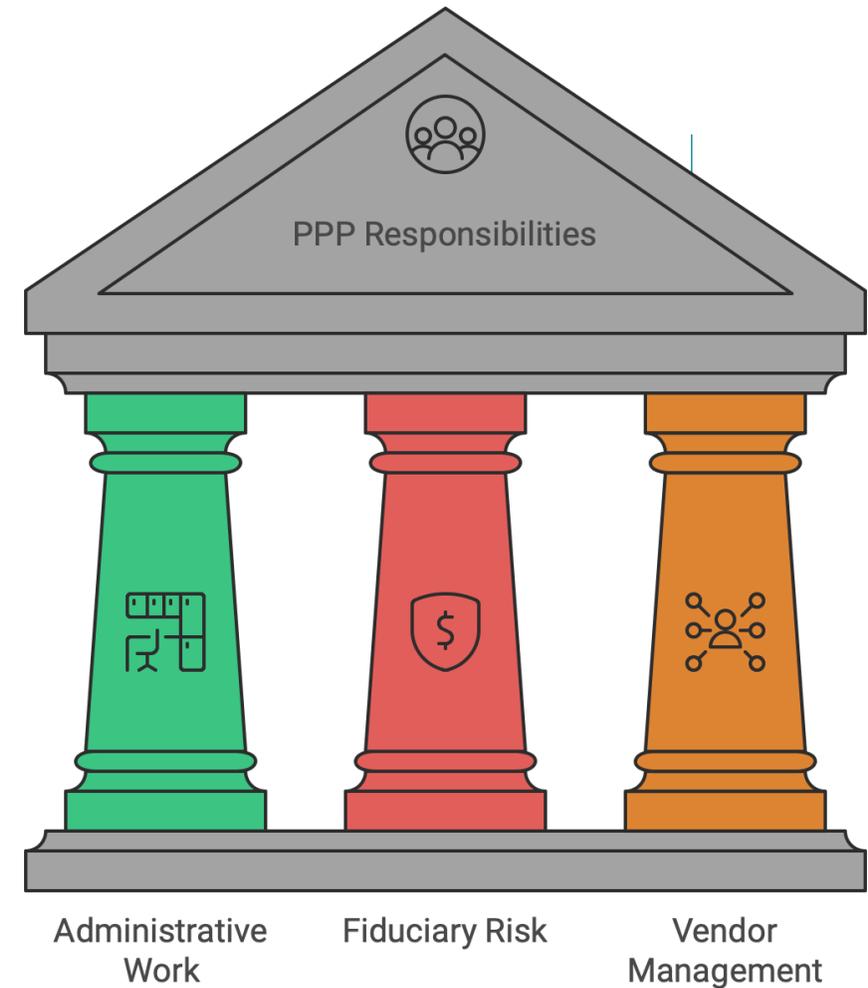
- There are certain limitations to plan design parameters.
- When leaving the PEP, it must comply with ERISA regulations and rules, including preparing a plan document and replacing service providers as well as Plan Sponsor.
- Limited choice of recordkeepers

# Traditional 403 ( B ) / 401(k) Model vs. PEP Model



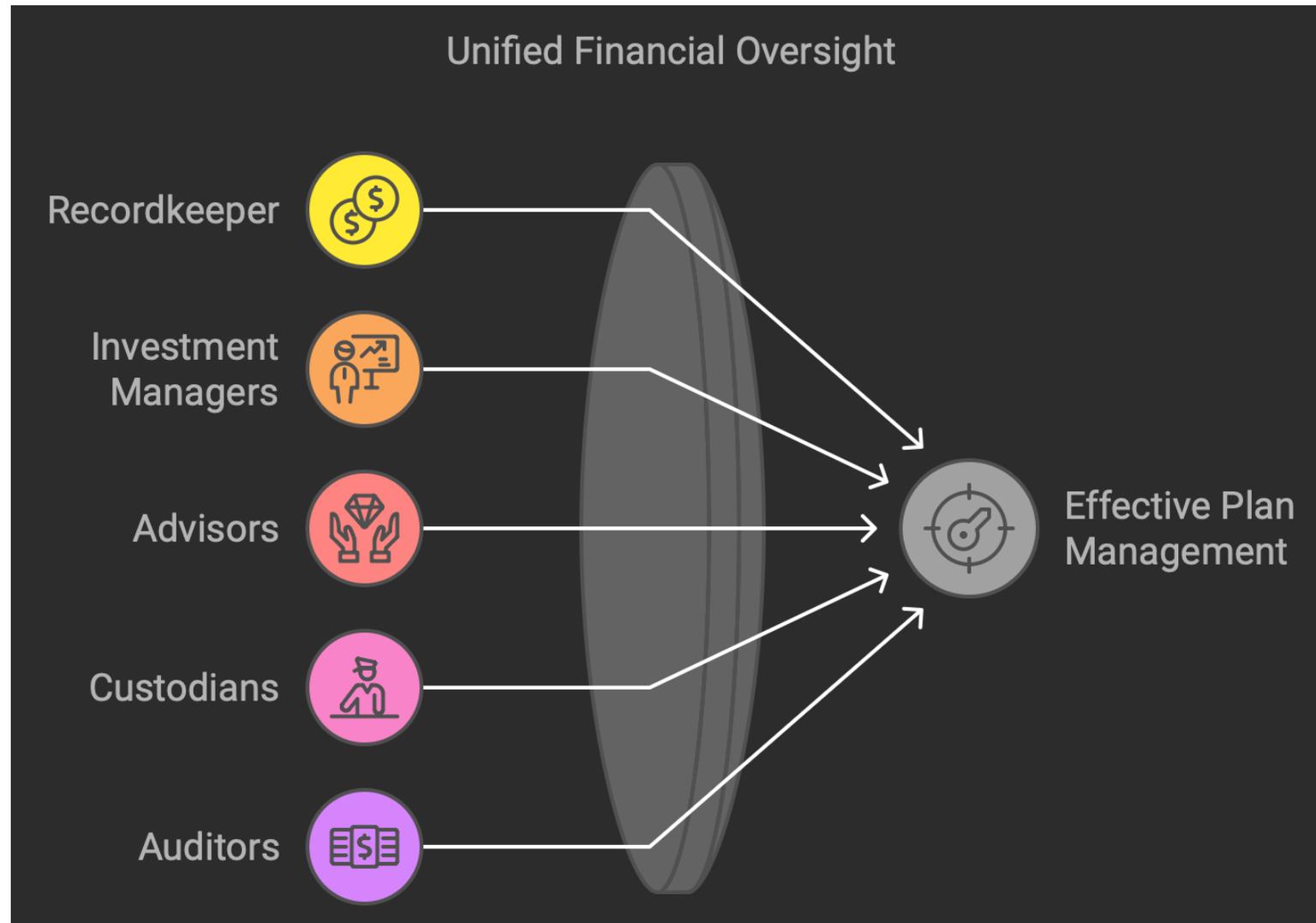
# Traditional 403 ( B ) / 401(k) Model vs. PEP Model

## EMPLOYER IS RESPONSIBLE FOR ADMINISTRATIVE DUTIES



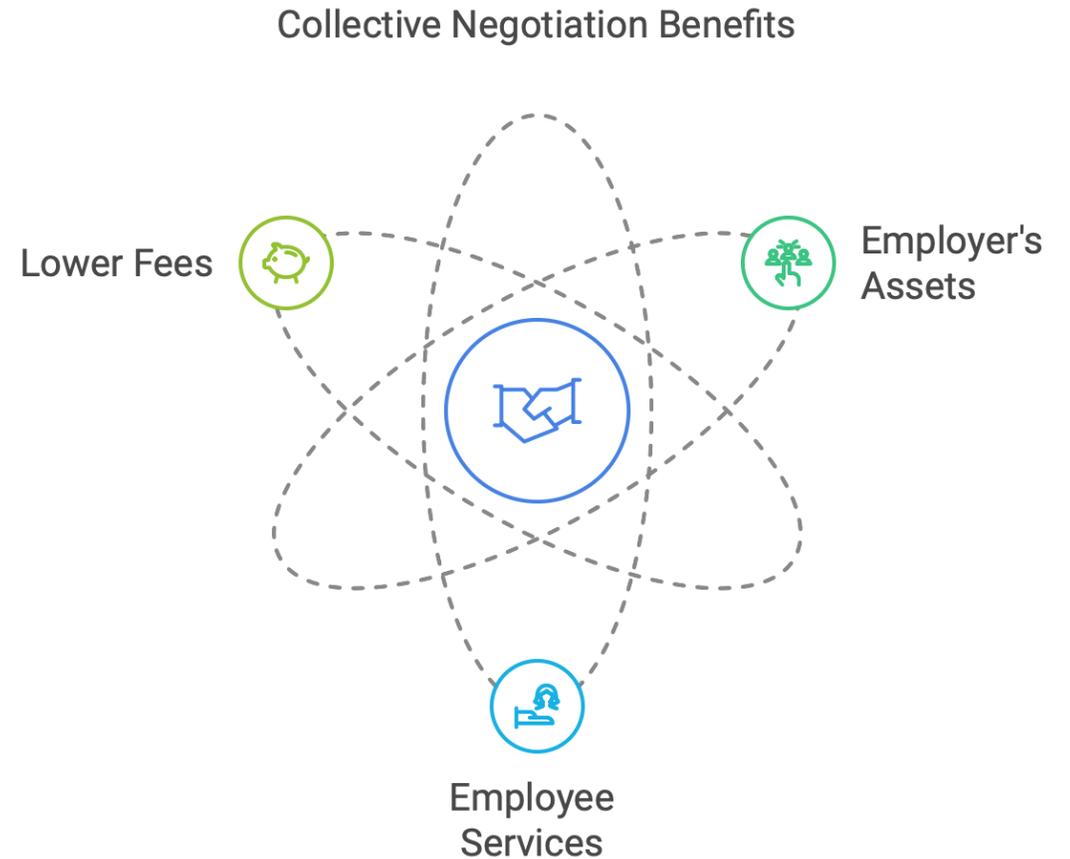
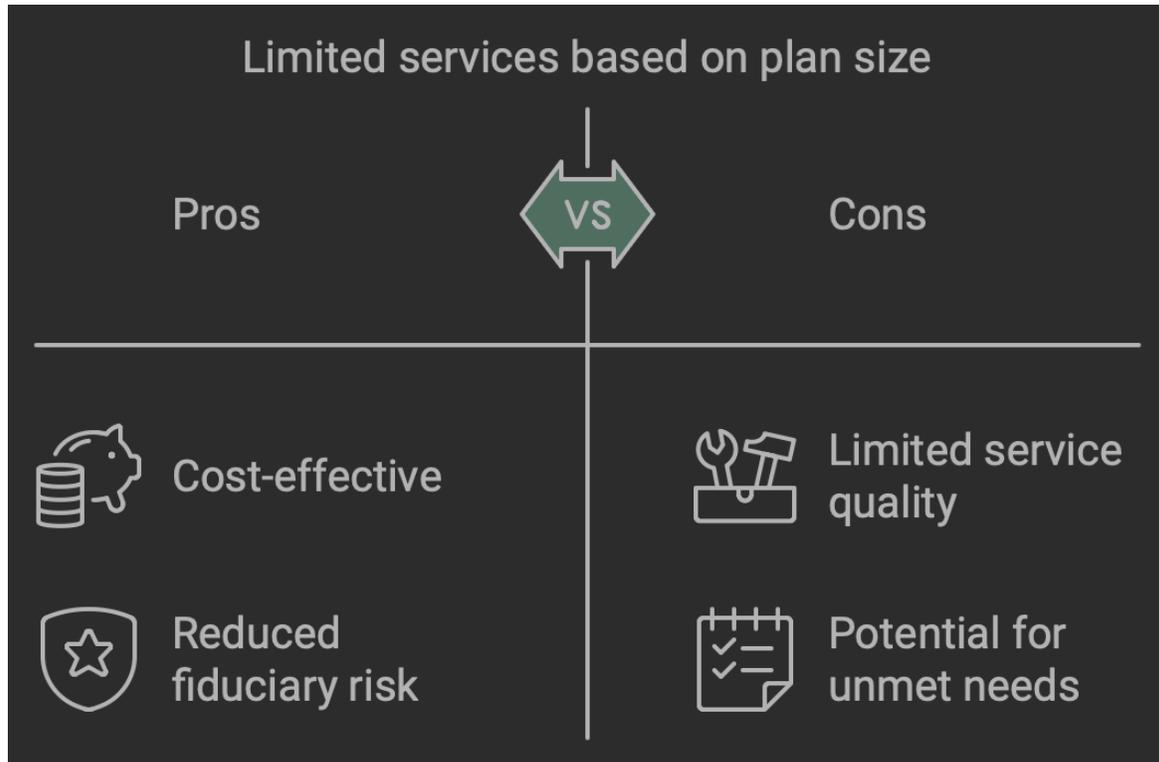
# Traditional 403 ( B ) / 401(k) Model vs. PEP Model

## EMPLOYER SELECTS, MANAGES AND OVERSEES THE SERVICE PROVIDERS



# Traditional 403 ( B) / 401(k) Model vs. PEP Model

**THE EMPLOYER/ PARTICIPANTS RECEIVE ONLY THE SERVICES THAT A PLAN OF ITS SIZE CAN BUY**



**Are you  
overpaying for  
your services?**



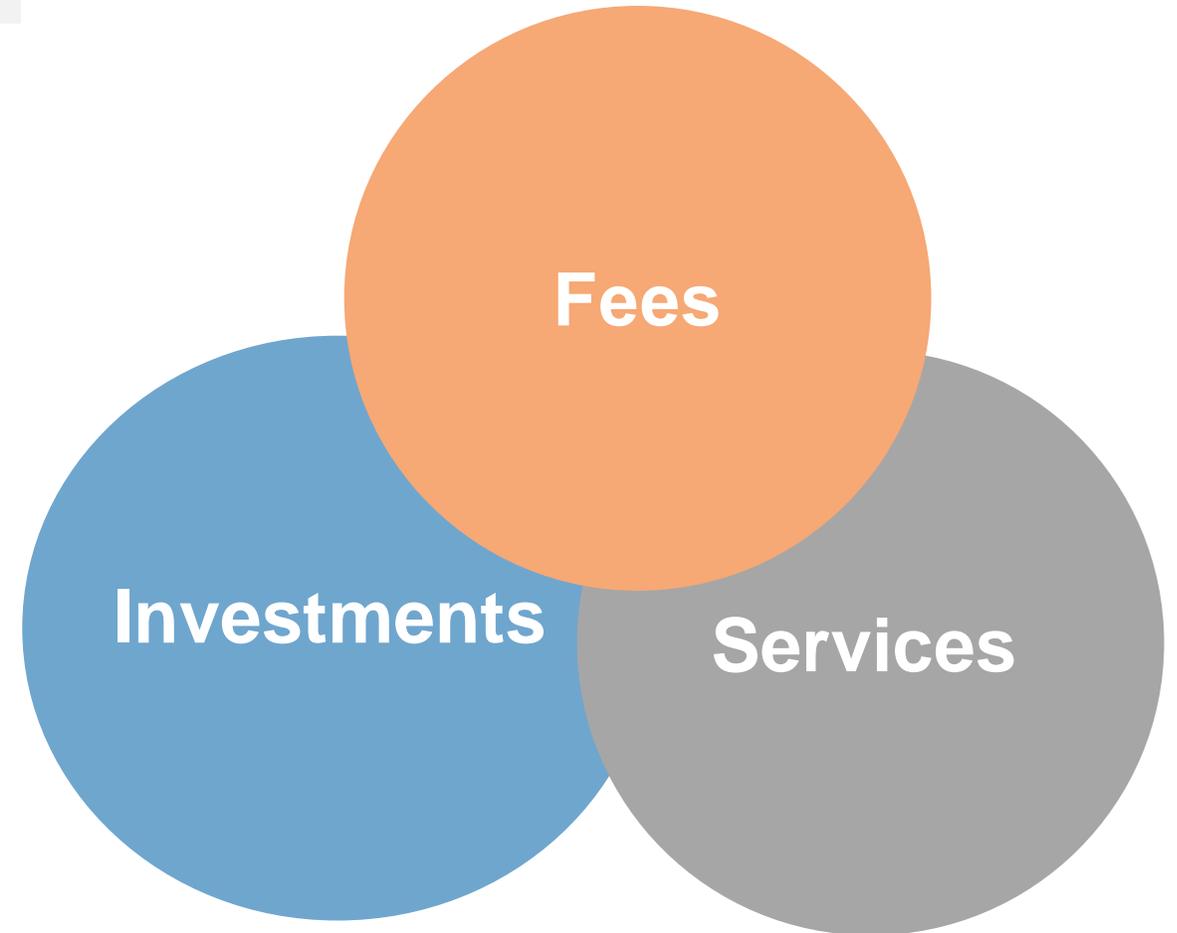
# ERISA 408(b)(2) Regulations

**Fiduciaries must  
receive required  
fee disclosures**

**Fiduciaries must  
determine if  
compensation  
is reasonable**

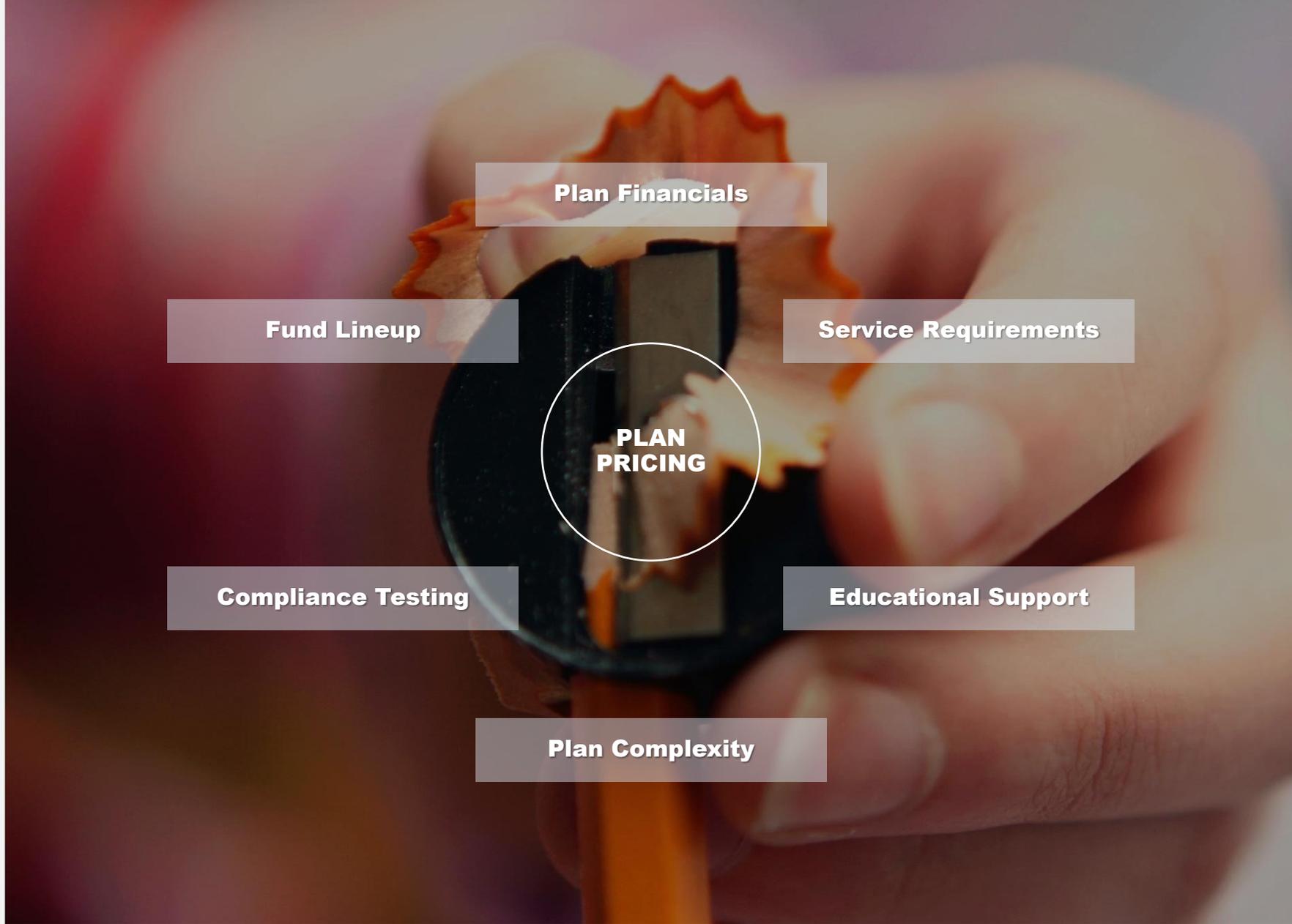
# Benchmarking

Meaningful benchmarking of a provider's services requires **equal emphasis** on the **cost** and **quality aspects** of provider services.



# Factors that Impact Pricing

We maximize your negotiation leverage by looking at all the details of your plan and service contract.



# Fee Considerations

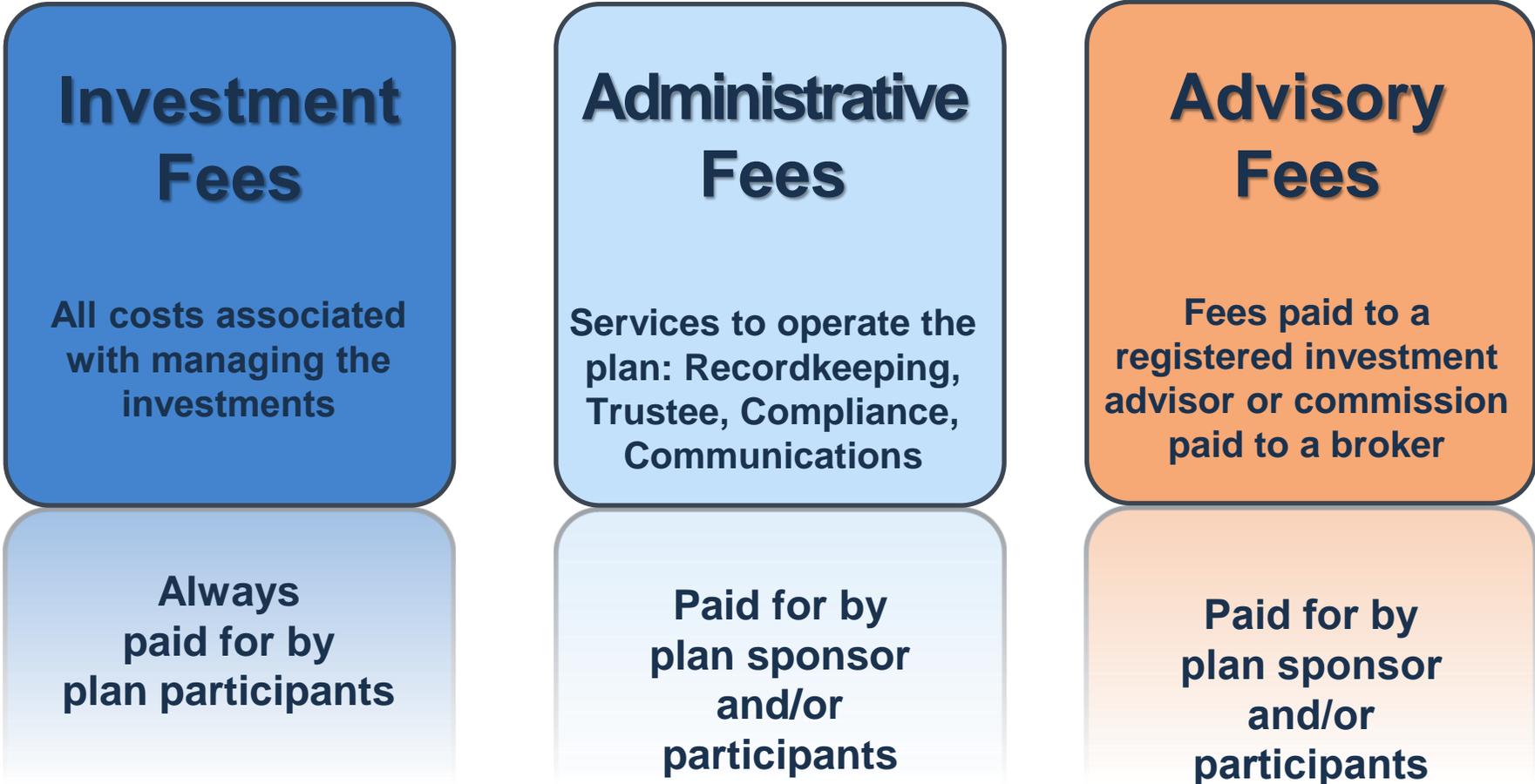
How much does it cost?

Who is going to pay?

How are they going to pay?

What model is best for you?

# What Should You Benchmark?



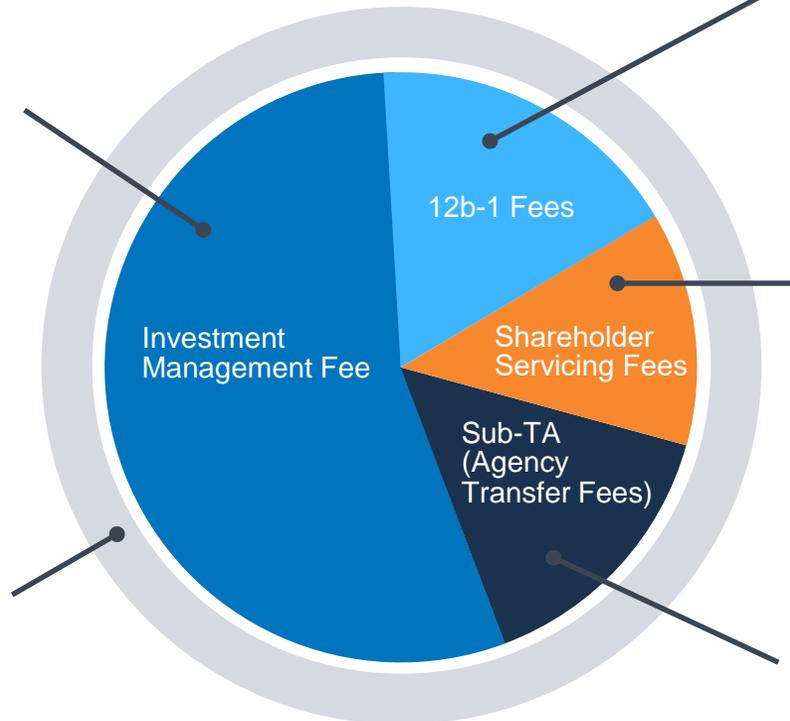
# Overview of Plan Fees

## Investment Management

A percentage of assets invested.  
Deducted from the return.

## Asset / Wrap Fee

Additional fees layered on  
top of total investment fees.



## 12b-1

Paid by mutual funds from fund assets for broker commissions, marketing expenses and other administrative services.

## Shareholder Servicing

Revenue shared by the mutual fund company with the service provider.

## Sub-TA

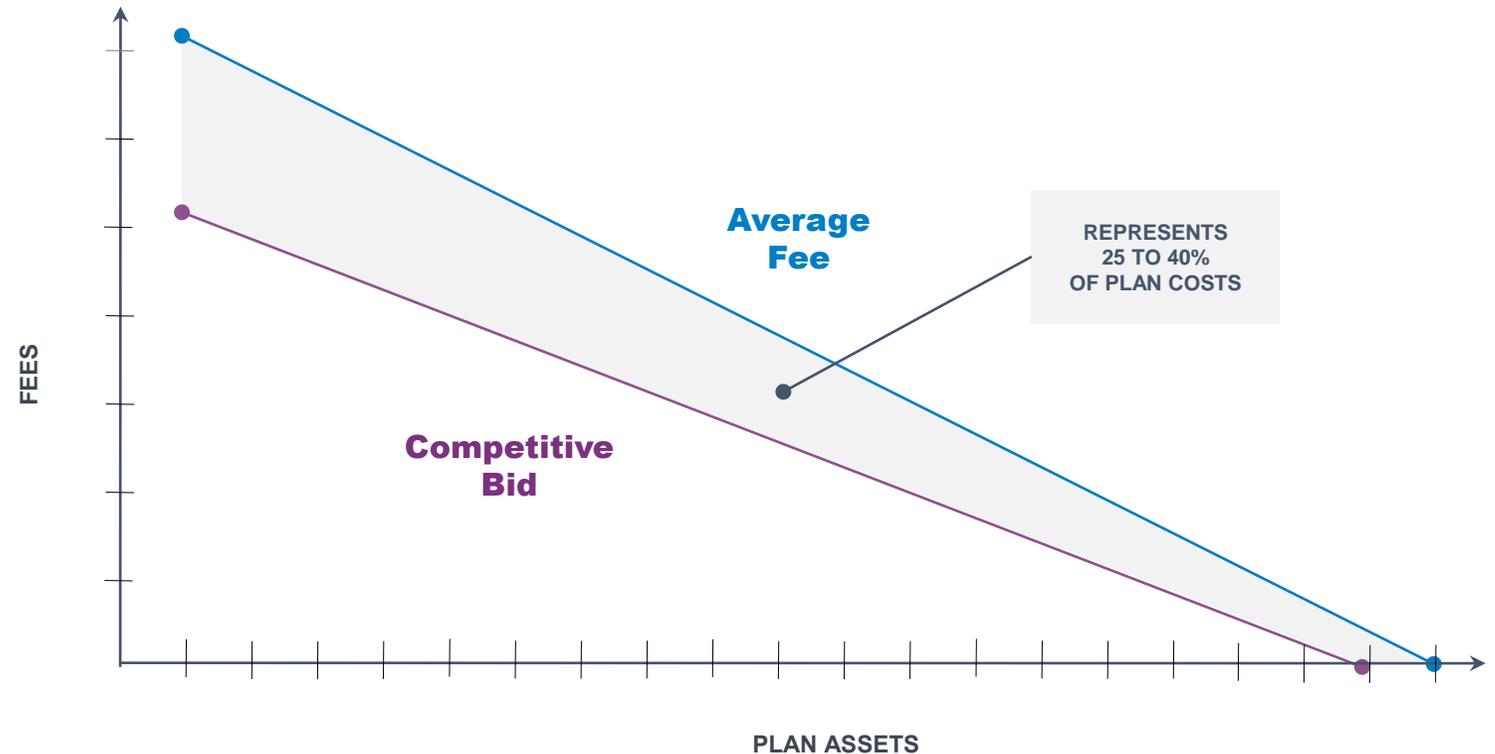
Recordkeeping and other services related to participant shares often go to a third party called a sub-transfer agent.

# Benchmarking Approaches

Different approaches achieve dramatically different results.

**Average-fee benchmarking** is based on **average** plan design and **average** demographics

**Competitive-bid benchmarking** is based on **your** plan design and your demographics



# Case Study (Mutual of America #1)



## Current Principal

- No fiduciary processes or co-fiduciary status
- Preset investment menu – no ability to change options if underperforming Mutual of America investments, platform, and advisor (no independence)
- Inconsistent ability to meet with employees
- No ability to provide fiduciary advice to employees
- No administrative outsourcing

Asset-Based Fees	Mutual of America
Average Expense Ratio	0.47%
Revenue Requirement	0.45%
Extra Broker or RIA Fee	0.00%
Total	0.92%
Cost of Assets Annually	<b>\$116,680.31</b>



## AFTER

- Fiduciary processes and co-fiduciary status
- Open architecture investment menu – choose from any fund in universe and follow investment policy statement
- RFP to find best platform across all industry providers
- Financial wellness platform provider fiduciary advice to participants
- Full administrative outsourcing and payroll integration

Asset-Based Fees	NFP
Average Expense Ratio	0.25%
Revenue Requirement	0.07%
Extra Broker or RIA Fee	0.20%
Total	0.52%
Cost of Assets Annually	<b>\$65,949.74</b>

# Case Study (Mutual of America #2)



## Current Principal

- No fiduciary processes or co-fiduciary status
- Preset investment menu – no ability to change options if underperforming Mutual of America investments, platform, and advisor (no independence)
- Inconsistent ability to meet with employees
- No ability to provide fiduciary advice to employees
- No administrative outsourcing

Asset-Based Fees	Mutual of America
Average Expense Ratio	0.37%
Billed Fees by Vendor	\$11,160
Revenue Requirement	0.80%
Extra Broker or RIA Fee	included
Total	1.17%
Cost of Assets Annually	\$40,410



## AFTER

- Fiduciary processes and co-fiduciary status
- Open architecture investment menu – choose from any fund in universe and follow investment policy statement
- RFP to find best platform across all industry providers
- Financial wellness platform provider fiduciary advice to participants
- Full administrative outsourcing and payroll integration

Asset-Based Fees	NFP
Average Expense Ratio	0.08%
Revenue Requirement	0.30%
Extra Broker or RIA Fee	0.40%
Total	0.78%
Cost of Assets Annually	\$19,500
Saving dollars	\$20,190
Saving %	0.52%

# Case Study (Lincoln Financial)



## BEFORE

- No fiduciary processes or co-fiduciary status
- Preset investment menu – no ability to change options if underperforming Mutual of America investments, platform, and advisor (no independence)
- Inconsistent ability to meet with employees
- No ability to provide fiduciary advice to employees
- No administrative outsourcing

Asset-Based Fees	Lincoln Financial
Average Expense Ratio	0.55%
Revenue Requirement	0.40%
Extra Broker or RIA Fee	included
Total	0.79%
Cost of Assets Annually	\$281,221



## AFTER

- Fiduciary processes and co-fiduciary status
- Open architecture investment menu – choose from any fund in universe and follow investment policy statement
- RFP to find best platform across all industry providers
- Financial wellness platform provider fiduciary advice to participants
- Full administrative outsourcing and payroll integration

Asset-Based Fees	NFP
Average Expense Ratio	0.40%
Revenue Requirement	0.10%
Extra Broker or RIA Fee	0.10%
Total	0.56%
Cost of Assets Annually	\$210,026
Saving dollars	\$71,195
Saving %	30%

# Case Study (TIAA)



## BEFORE

No fiduciary processes or co-fiduciary status  
 Preset investment menu – no ability to change options if underperforming Mutual of America investments, platform, and advisor (no independence)  
 Inconsistent ability to meet with employees  
 No ability to provide fiduciary advice to employees  
 No administrative outsourcing

Asset-Based Fees	TIAA
Average Expense Ratio	0.18%
TPA fee	\$2,500
Revenue Requirement	0.28%
Extra Broker or RIA Fee	0
Total	<b>0.47%</b>
Cost of Assets Annually	<b>\$149,700</b>



## AFTER

Fiduciary processes and co-fiduciary status  
 Open architecture investment menu – choose from any fund in universe and follow investment policy statement  
 RFP to find best platform across all industry providers  
 Financial wellness platform provider fiduciary advice to participants  
 Full administrative outsourcing and payroll integration

Asset-Based Fees	NFP
Average Expense Ratio	0.18%
TPA fee	\$2,500
Revenue Requirement	0.12%
Extra Broker or RIA Fee	0.10%
Total	<b>0.42%</b>
Cost of Assets Annually	<b>\$128,000</b>
Saving dollars	<b>\$21,700</b>
Saving %	<b>11%</b>

# Case Study (Empower)



## BEFORE

- No fiduciary processes or co-fiduciary status
- Preset investment menu – no ability to change options if underperforming Mutual of America investments, platform, and advisor (no independence)
- Inconsistent ability to meet with employees
- No ability to provide fiduciary advice to employees
- No administrative outsourcing

Asset-Based Fees	Empower
Average Expense Ratio	0.32%
Billed TPA	\$12,142
Revenue Requirement	0.46%
Extra Broker or RIA Fee	0.40%
<b>Total</b>	<b>1.18%</b>
<b>Cost of Assets Annually</b>	<b>\$108,383</b>



## AFTER

- Fiduciary processes and co-fiduciary status
- Open architecture investment menu – choose from any fund in universe and follow investment policy statement
- RFP to find best platform across all industry providers
- Financial wellness platform provider fiduciary advice to participants
- Full administrative outsourcing and payroll integration

Asset-Based Fees	NFP
Average Expense Ratio	0.32%
Billed TPA	\$12,142.00
Revenue Requirement	0.36%
Extra Broker or RIA Fee	0.20%
<b>Total</b>	<b>0.88%</b>
<b>Cost of Assets Annually</b>	<b>\$76,382</b>
Annual savings %	25%
Annual Saving \$	\$32,001

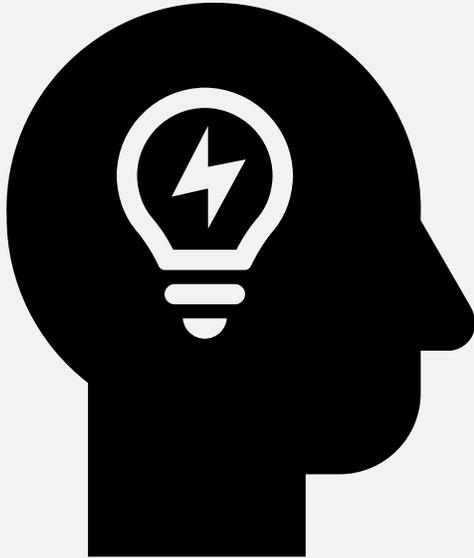
**Are you helping  
all employees  
get to retirement  
security**



**The Hebets Company**  
attractandretain.com

AN  **NFP** COMPANY

# Using dollars in each plan wisely



1. Review the Qualified plan
2. Who are you covering adequately in the Qualified plan
3. Can you added for those in another plan, yes you can cover those in a second program called a non-qualified plan.
4. Can you afford to cover them in both? Use the plan or plans that fit your budget and also the needs
5. Our Qualified plan experts can custom design each plan so that each employees is in the program or programs that fit your goals and budget
6. Look to other programs where excess spend may be happening too and repurpose those, like in Group health and welfare benefits

# The Unintended Retirement Income Gap

Compare 4 Different 45-Year-Olds Retiring at Age 65		Allie	Frank	Tom	Denise
Current Salary at Age 45 =		\$50,000	\$100,000	\$250,000	\$500,000
Income Replacement Ratio at Age 65	*401(k)	55%	38%	21%	12%
	Social Security	41%	29%	12%	5%
	Combined Ratio	96%	67%	33%	17%
Retirement Income Age 65 =		\$48,000	\$67,000	\$82,500	\$85,000
*401(k) Assumptions =	10% Contribution 4% Match 7.67% ROR				

# What is the difference? Supplemental Retirement Programs VS Traditional 401(k) or 403(b) Plans

Include or Exclude any Participant for ANY REASON

May Provide Varying Contribution Levels for any Participant for ANY REASON

NO CAP on Annual Contributions Amounts

May Provide Tax-Free Death Benefit for Heirs



# What Types of Supplemental Retirement Plans Are Available?



457(b) Deferred  
Compensation  
(\$22,500 Cap)

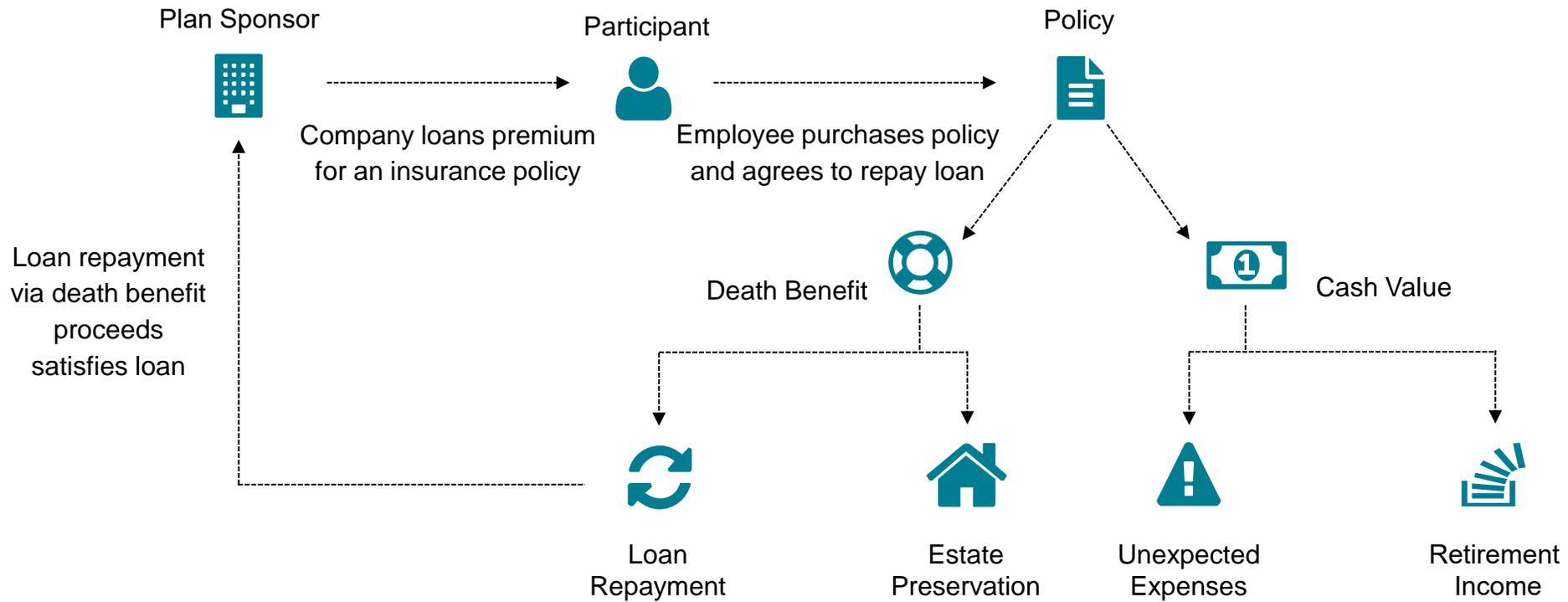
457(f)/SERP

162(b) Bonus  
Arrangements

Loan Regime  
Split Dollar

# Loan Regime Split-dollar (LRSD)

## How it Works





# Sample Summary - Loan Regime Split Dollar

ORGANIZATION			
	457f	LRSD Refinance	Difference
Compensation   Loan	(500,000)	(630,000)	(130,000)
Excise Tax	0	0	0
Payroll Tax	(9,053)	0	9,053
<b>Total Cash Out</b>	<b>(509,053)</b>	<b>(630,000)</b>	<b>(120,947)</b>
Recovery	0	1,357,956	1,357,956
<b>Net Cash Flow</b>	<b>(509,053)</b>	<b>727,956</b>	<b>1,237,009</b>

EMPLOYEE			
	Strategy #1	Strategy #2	Difference
Gross Benefit	500,000	467,218	(32,782)
Investment Return	265,096	0	(265,096)
Taxes	(319,118)	0	319,118
<b>Retirement Benefit</b>	<b>445,978</b>	<b>445,978</b>	<b>(0)</b>
<b>Death Benefit:</b>	<b>0</b>	<b>21,240</b>	<b>21,240</b>

CASH EFFICIENCY			
	Strategy #1	Strategy #2	Difference
Cash Out	(509,053)	(630,000)	(120,947)
Organization	0	1,357,956	1,357,956
Employee	445,978	467,218	21,240
Tax Authorities	328,171	0	(328,171)
<b>Benefit Per \$ Used</b>	<b>\$0.88</b>	<b>\$2.90</b>	<b>\$2.02</b>

**Eliminate potential excise and payroll tax on benefits paid**

\$1.2M shift from liability to asset

**Provide supplemental executive life insurance coverage**

Reduce tax liability by \$319K

**Avoids Schedule J Form 990**

Full cost recovery w/ interest

Dollars spent vs dollars invested – Every dollar invested yields \$2.90 of desired benefit



# The Superbuild

Benefit Solution For Non-Profits



June 2025

## Employer Challenges



Mitigation of Risk – **Fiduciary Responsibilities**



Control **Benefit Spend**



**Accuracy & Reliability** of Making Data **Actionable**



Address **Point Solution Fatigue**



Direct to Employer **Solutions**

# NFP Superbuild: A Smarter, More Sustainable Health Plan for Non-Profits

The **NFP Superbuild** is a next-generation, self-funded health plan built to help mission-driven organizations control rising healthcare costs while improving care for their employees. Designed for scalability and simplicity, Superbuild integrates cutting-edge data analytics, personalized navigation, and high-impact clinical programs into one cohesive platform.

At its heart, Superbuild prioritizes:

- **Cost control** through value-based care and integration of high-impact solutions in key areas like specialty medications, mental health, and primary care
- **Human-centered support** via concierge services and navigation tools that enhance the employee experience and reduce avoidable costs
- **Streamlined administration** with a single contract and centralized billing—eliminating the burden of managing multiple vendors

Superbuild is powered by the Health Transformation Alliance (HTA)—a coalition of leading U.S. employers working to reimagine healthcare purchasing. This proven model is now available to non-profit organizations, bringing enterprise-level efficiency and results to the communities you serve.

For non-profit employers, this offers a rare opportunity to:

- Stabilize and reduce claims costs
- Improve employee satisfaction and retention
- Deploy a high-performing plan across a range of locations and workforce needs
- We'd welcome the opportunity to explore how this solution could support your organization's mission and financial sustainability.

# How the Superbuild Is Designed



## Leveraging Best Practice from Fortune 100 Employer Health Plans

### Integrated Solution

#### Improve Quality

#### Improve Access

#### Reduce Costs

#### Purchase Healthcare Services

- Aggregate Purchasing – Economies of Scale and Improved efficiencies for **preferred pricing**
- Employer participates in **plan savings**
- **NO** PEPMs/PMPMs for point solutions
- **‘High Value Providers’** (referred to as Tier 1)
- **High Value Providers** (Tier 1), minimum 2:1 ROI
- Access to Point Solutions **not available** to mid-market employers
- Prescription drug coalition drug pricing and protections
- Stop-Loss Protection

### Best Practices

Adopted from  
**Jumbo  
Employers**



Utilizing  
**‘High Value Providers’**  
Tier 1

# Plan Integration...It Makes a Difference

## Optimal Success

**Tiering of Benefits** – Value of Incentives



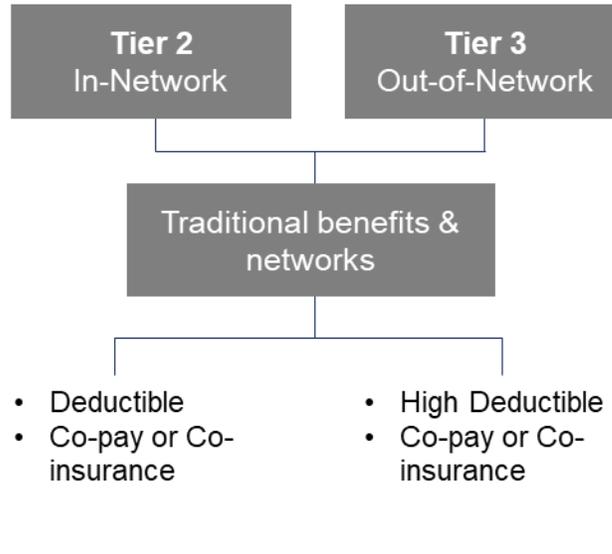
**Steering** – Coaching Plan Members



Member benefit incentives  
& improved access

**Waive Deductible**  
(QHDP – to IRS limit)

**100% Coverage**  
(QHDP – after IRS limit)



Right **Care**, Right **Time**, Right **Provider**

- **Member**
- **Converge Service**
- **Clinical Care Navigator**



**Coach**  
**Educate on**  
**Options**



# Superbuild

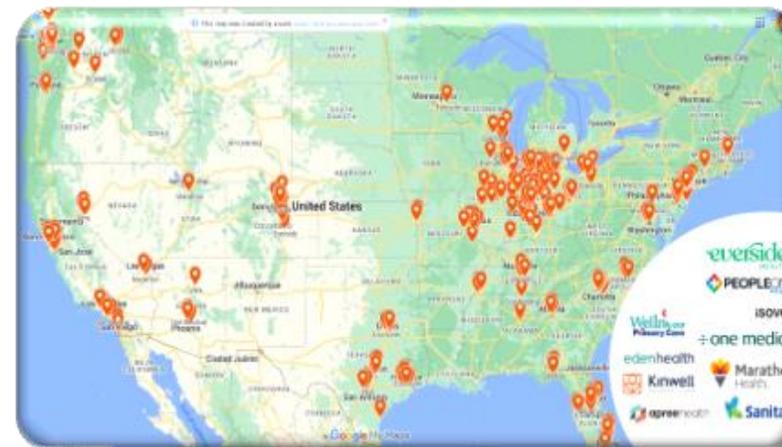
## Tier 1 High Value Providers

Vendor Name	Services
• White Glove	Clinical Care Navigation
• Healthee	Intelligent Enrollment Decision Tools, Provider Directory, Electronic ID Cards, Point Solution Referrals
• IMC ( <i>Integrated Musculoskeletal Care</i> )	Precise Chronic Pain Resolution
• Lantern	Advanced Surgery Services, Cancer Support Centers of Excellence
• Carrot	Fertility Coaching & Family
• Lyra	Mental & Behavioral Health
• Enthea	Acute Behavioral
• Optimed	Site of Care Infusion
• White Glove	Readmission support
• Advanced Primary Care	Nationwide Access to Advanced Primary Care & Direct Primary Care

## National Network - Advanced Primary Care

### Participating Providers

- 500+ locations across the U.S.
- National providers included – **One Medical**
- Local & regional providers are being added
- Access – [www.apaly.app](http://www.apaly.app)



# Superbuild Additional Features

## Employer Embedded Services

### Client Cost Containment

Vendor Name	Services
• Innovu	Data Analytics
• Theralta	Communication Tech Stack, Data Warehouse and Aggregated Theralta Service Bundles

## Streamlined Administration

- Integration of providers brings cost efficiencies
- National capabilities
- Simplified underwriting

## Enhanced Options

### Large Client Carve-out Services

Vendor Name	Services
• Quantify Specialty Care	Dialysis Program
• Smartlight Analytics	Payment Accuracy ( <i>fraud, waste, abuse</i> )
• Lantern	Cancer Centers of Excellence
• Rejuvenate	Kidney Transplant & Renal Disease

Core High Value Providers

**(10-12%)**

Average Decrease  
Medical/RX Spend

A modern office interior featuring a prominent glass staircase with a dark metal railing. The space is filled with large glass panels, creating a bright and open atmosphere. In the background, three people in business attire are standing on a mezzanine level, engaged in conversation. In the foreground, two men are seated at a small table, also in business attire, appearing to be in a meeting. The overall aesthetic is clean, professional, and contemporary.

# SUPERBUILD

## Embedded Solutions

# Superbuild

## Concierge Customer Care Services



### Personal Care Concierge

- Member phone calls are answered in person by an experienced advocate
- Help resolve payment and claims issues
- **GAMVision Tool- Guidance towards top quality and cost-efficient providers**
- Fully resolves all questions and grievances about benefits
- Assists throughout the appeals process when needed

### Personal Care Coordinator

- Member's personal, white glove, partner to coordinate all aspects of the healthcare journey
- Assesses and navigates care
- Answers questions about medical tests, treatments and medications
- Advocates on behalf of the members and their families
- Coordinates second opinions for rare and complex conditions
- Arranges for emergency or critical care transportation to admitting tertiary care facilities
- **Available 24/7**

### Personal Success Coach

- Trusted partner to journey with you on your path of life
- Someone to talk to about your own health and well-being
- Support in reaching short-term and long-term goals
- Support in reaching any kind of personal goal; physical, financial, environmental, relational or emotional



# Superbuild

## Built-in Functionality & Support

### Teletherapy and Virtual PCP Healthee

Healthee's mission is to improve health outcomes by eliminating confusion around benefits and coverage.

Healthee's innovative AI-driven app simplifies healthcare navigation, providing fast, accurate guidance on plans, providers, costs and more. The Healthee app serves as a repository for plan documents, ID cards, provider directory and more!

The platform also offers Unlimited 24/7/365 access to board-certified Primary Care Physicians and Licensed Mental Health Therapists.

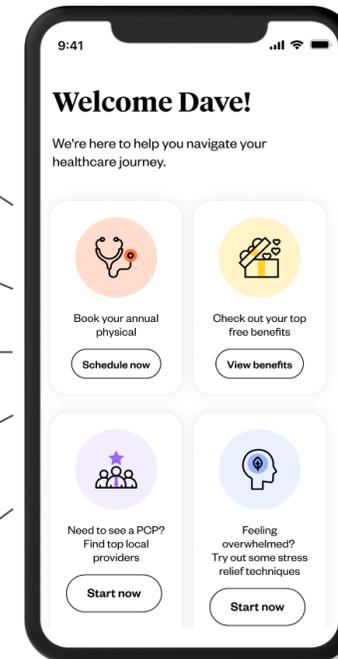
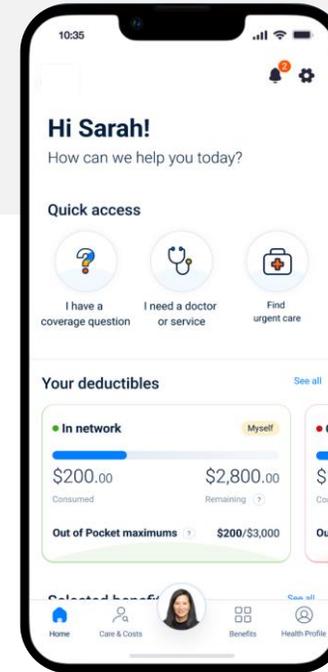
Examples of conditions serves:

#### Primary Care

- Allergies
- Cold/Flu/Fever
- Covid symptoms
- ENT
- Eye
- Infection/irritation
- Dermatological

#### Behavioral Health

- ADHD
- Addiction
- Depression
- Eating disorders
- Grief & Loss
- Stress



Personal Health Assistant

Cost Transparency

Plan Comparison Tool

Appointment Booking

Digital ID Card

In-Network Provider Search

Telehealth

Benefits Gallery

Deductible Status

Care Team

# Superbuild

## Built-in Mental Health

### Psychiatry Network Lyra

In a post-COVID-19 world, anxiety, burnout and uncertainty have peaked, and people are in need of access to therapy and psychiatry. Unfortunately, our large PPO networks have insufficient access for people, who often find 4-8 week wait times, and EAPs cannot prescribe medication, in addition to also having inadequate access.

Plan members in this program now have access to a full supplemental network of over 9,000 therapists and psychiatrists who are available within a day for emergencies and within a week for normal behavioral health needs. This premium benefit has shown to reduce costs by over \$1,200 per patient by getting early access that prevents major episodes of care down the line.

Appointment Modes:

- In-Person
- Virtual
- Text Messaging
- Web Tools

The Lyra logo features the word "Lyra" in a teal, sans-serif font. To the right of the text is a square icon composed of four smaller squares in a 2x2 grid, with the top-left square being white and the other three being teal.

# Superbuild

## Built-in MSK treatment options

### Musculoskeletal Integrated Musculoskeletal Care (IMC)

Back, neck and joint pain is the second most common reason people go to the doctor, yet it is commonly mistreated and results in necessary surgeries and painkiller abuse. Integrated Musculoskeletal Care (IMC) is a network of musculoskeletal experts who can rapidly diagnose and resolve most back, neck and joint pain without unnecessary surgery, MRIs or drugs. Access to IMC through IMC's network of clinics, telehealth and the self-care mobile app **JointStrong** helps plan members suffering from musculoskeletal pain.

All eligible plan members can use IMC services, including employees, spouses and dependents. This program is dedicated to helping repair injury, resolve pain, and restore function to painful back, neck or joint conditions. For 95% of patients, troubling orthopedic conditions can be resolved through this evidence-based, non-invasive, conservative care. Specifically, this program treats the following conditions:

- Lower back or neck pain
- Many migraines
- Shoulder or arm pain
- Tennis elbow or other elbow pain
- Carpal tunnel or other wrist/hand pain, knee pain
- Bursitis, osteoarthritis, or other hip pain
- Foot pain, including plantar fasciitis



### Advanced Surgery Services Lantern

Enrollment in the SurgeryPlus® benefit is included with the company's medical plan through your TPA. This benefit is a comprehensive surgical program that provides a personalized concierge experience from dedicated Care Advocates and access to quality-centric healthcare through a network of credentialed surgeons.

Our mission is to simplify the surgical process from start to finish — from helping schedule appointments to eliminating medical bills related to your care. Our credentialed surgeons undergo a rigorous evaluation process to ensure that you receive high-quality care from specialists who excel in the area related to your needs.

**How It Works:** When you have a procedure through the SurgeryPlus benefit, a Care Advocate assists you with coordinating the medical care that is best for you. Care Advocates ensure you have access to the best information as you make decisions about your care, provide guidance throughout the process, answer any questions that arise and support you in handling logistics throughout the course of treatment. Any related healthcare bills are handled by the SurgeryPlus benefit, so you know your cost upfront, and there aren't any surprises you weren't planning on.



# Superbuild

## Cancer Centers of Excellence & Second Opinion Services

### Cancer Centers of Excellence & Second Opinion Services Lantern

Cancer is one of the most complex and fast-changing diseases in the world. It's also one of the most common lethal illnesses that many people may ever face. Because of its complexity and pathology, over 70% of first diagnoses and/or prescribed therapies are *wrong*. For many people, however, it's difficult to get a second opinion from a source qualified to evaluate their condition accurately.

This cancer program is provided standard to all patients and members of this health plan and provides at no cost to the patient an expert opinion on the initial diagnosis and prescribed treatment from a global cancer center of excellence near the patient. Furthermore, the patient may engage the centers of excellence benefit to receive expert guidance at a recommended cancer center nearest the patient. This way, the patient benefits from a specialized local attending oncologist and the help of a remote expert reviewing every step of the treatment and recovery process without undue cost placed on the patient.

- Dana Farber Cancer Institute
- Johns Hopkins Kimmel Cancer Center
- City of Hope
- Emory Healthcare
- Northwestern Medicine
- UT Southwestern Med Center



# Superbuild

## Built-in Dialysis and Transplant Support

### Dialysis Program

Congress passed a law in 1978 to reduce the financial burden of dialysis for employers and patients, making Medicare B a secondary, or backup, payer for patients with end-stage renal disease for the first few years before becoming the primary payer. Because of this law, this program was made possible, enabling patients to receive dialysis care with either no cost share or just the minimum required by law when they need to receive dialysis services.

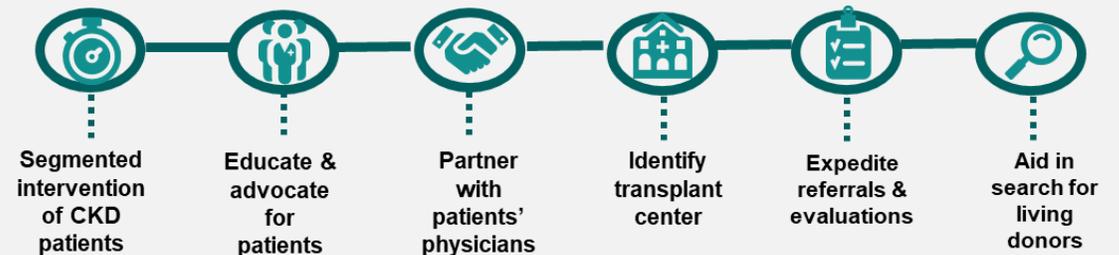
This benefits patients who no longer have to worry about the extreme costs of dialysis multiple times per week, and the health plan that is able to limit its benefits to responsible levels to keep benefits sustainable for all the families on the health plan.



### Kidney Transplants Rejuvenate

More than 500,000 Americans are on dialysis 3 times a week costing upwards of \$250,000+ Per Patient Per Year.

Rejuvenate is a value-based healthcare consulting firm that uses their Nobel Prizewinning, data-driven process to disrupt the status quo in kidney care, by identifying kidney failure patients early and transplanting them faster, resulting in significant cost savings for employers and healthier, happier employees.



# Superbuild

## Medical Infusion Services

### OptiMed

OptiMed Health Partners is a multi-accredited and nationally licensed provider specializing in cost-containment strategies and the delivery of pharmaceutical and medically administered treatments.

- Access to the best treatments and infusion care at home
- Flexible treatment schedules that fit into a member's daily life with limited disruption
- Reassurance knowing their medication will be covered and they have the support of a dedicated care team
- The member's access to care outside of a facility setting
- Assurance that approved medications are clinically appropriate at the lowest possible costs
- Solutions targeted with 15%-60% savings per opportunity



# Superbuild

## Built-in Fiduciary Defenses

### Hospital Readmissions White Glove

Most hospitals do a good job of helping people correct a major medical issue, but when patients return home, they often forget the instructions needed to help with a safe recovery or don't have a convenient way to obtain the medication needed. For these and various other preventable reasons, many people end up experiencing (sometimes deadly) complications and readmissions to the hospital, all preventable, and because they didn't have a little help at the very end.

This program provides the support people need after they are discharged to ensure they are healing well, understand and follow the discharge instructions, and receive (and take) the critical medication prescribed to keep their wounds safe and free from infection. This program has been proven and published through peer-reviewed studies and reduces the danger and cost of complicated hospital readmissions after major care episodes.



# Superbuild

## Built-in Fiduciary Defenses

### Healthcare Cost Transparency TPNet™ – *Transparent Pricing & Network Analysis Tool*

Integrated into your administrative services is the ability to perform a claims repricing and network analytics evaluation. **TPNet** benchmarks providers, facilities and carriers/payers to compare your healthcare offering against the best-negotiated plans in the country.

Under the regulatory oversight of the Consolidated Appropriations Act (CAA), hospitals, carriers and payers are required to post pricing for healthcare services publicly. With this data, you can now perform dependently verified network analysis of service and procedure costs across all carriers/payers for the first time. This analysis allows employers to verify price differences across insurance carriers/payers, hospitals and health systems. It further enables employers to drill down to individual procedures and services to examine pricing variation across facilities and practitioners.

#### The Value of Being Early

Few in the market have built a functional tool for employers to compare and contrast these new transparency costs against actual claims paid by the carrier/payer to the hospitals and other providers.

### Fraud, Waste & Abuse SmartLight Analytics

Every insurance carrier tries to filter out fraudulent provider bills, but carriers aren't law enforcement, and doing so doesn't earn them money, so they can't get to most of the billions of claims paid each year.

**SmartLight Analytics** steps in on behalf of the largest employers to analyze millions of claims, find carefully concealed fraud and stop it.

Every employer should have access to this capability, but about 15,000 lives are necessary before enough sample size is present to spot concealed fraud.

**Theralta** makes this service accessible to the smallest employers by integrating it at the TPA level to create meaningful savings for the employers.



# Early Adopter Use Case 1

## **Case Study Employee Benefits: Government Trust Financial Recovery and Optimization** **Addressing a Significant Financial Deficit**

### **Objective:**

- Address a \$1.4M deficit and rising insurance costs without reducing member benefits.

### **Challenges:**

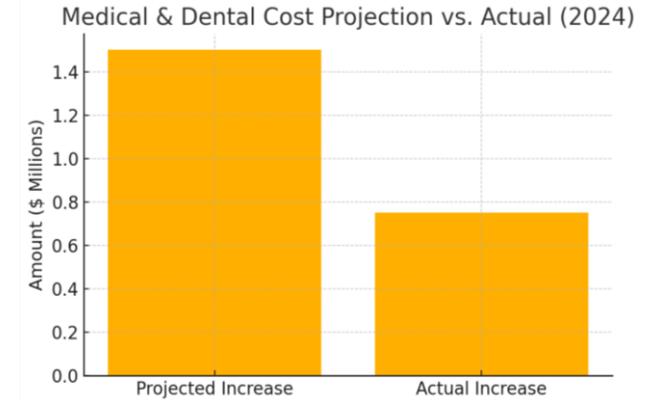
- Projected \$1.5M increase in upcoming plan year costs
- Financial pressure on municipal trust to maintain benefit commitments

### **NFP's Strategic Response:**

- Coalition pricing and fixed cost optimization
- New carrier implementation and pharmacy strategy overhaul
- Maintained benefit levels for members and unions
- Enhanced member experience with high-touch service

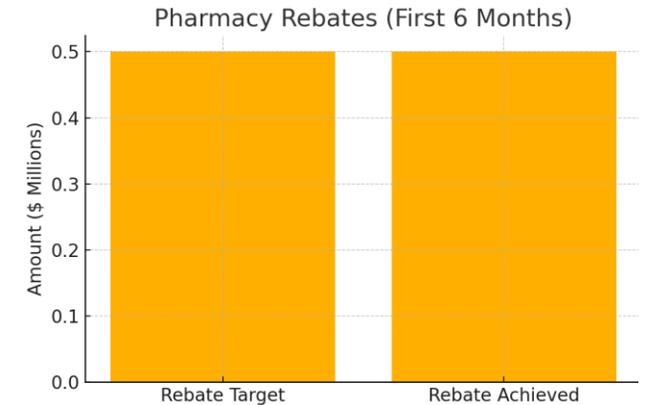
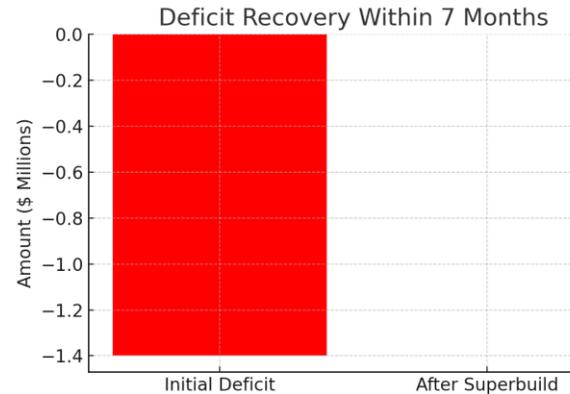
# Early Adopter Use Case 1 Cont. Results Delivered by Superbuild

Results	Outcome
Cost Control	Avoided 50% of projected \$1.5M increase
Deficit Recovery	Eliminated \$1.4M deficit in 6 months
Member Experience	Introduced concierge support & health coaching
Pharmacy Savings	Achieved \$500K+ rebate target within 6 months



## Conclusion

- Strategic cost-saving measures - Superbuild
- Enhanced the member experience
- Enabled trust to recover financially while maintaining high-quality benefits.
- Overall result - sustainable and optimized benefits program now and into the future.



# Early Adopter Use Case 2

## **Case Study Employee Benefits: Vocational Regional School** **Addressing a Significant Full Insured Renewal**

### **Objective:**

- Address a \$500k full insured renewal increase.

### **Challenges:**

- Facing a \$500k increase without the ability to leverage competitive quotes
- Pressure from Unions to maintain benefit commitments

### **NFP's Strategic Response:**

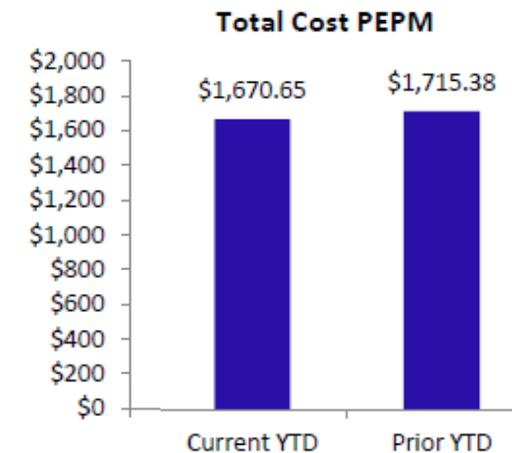
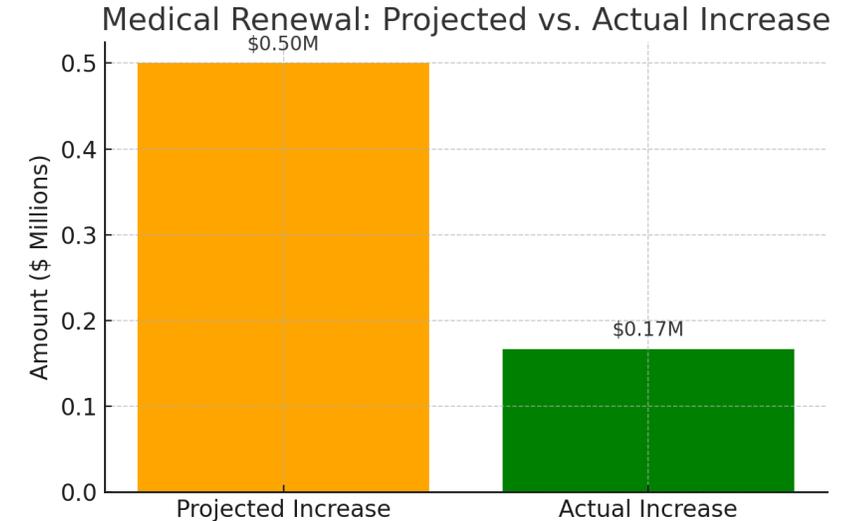
- Coalition pricing and fixed cost optimization
- New carrier implementation and pharmacy strategy overhaul
- Maintained benefit levels for members and unions
- Enhanced member experience with high-touch service

# Early Adopter Use Case 2 Cont. Results Delivered by Superbuild

Results	Outcome
Cost Control	Renewal cost avoided \$343k
2024 Medical Budget	17% below budget Thru the first 8 months of the plan year
Member Experience	Introduced concierge support & health coaching
2025 Renewal Outcome	+5% vs +12.9% Industry & Geographic benchmark

## Conclusion

- Strategic cost-saving measures - Superbuild
- Enhanced the member experience
- Enabled trust to recover financially while maintaining high-quality benefits.
- Overall result - sustainable and optimized benefits program now and into the future.



A modern office interior featuring a prominent glass and metal staircase. In the background, three people in business attire are standing on an upper level. In the foreground, two people are seated at a small table, engaged in conversation. The overall atmosphere is professional and contemporary.

# SUPERBUILD Rx Solutions

# Rx Solutions Consulting

**NFP Rx Solutions** reviews every aspect of a client's pharmacy benefit plan, identifies utilization concerns, and recommends plan solutions to mitigate risks of rising drug spend.

We believe in sharing our insights and knowledge of the industry in real-time through data driven alerts, financial trend reporting, and pharmacy benefit plan reviews. We translate complex challenges and client objectives to a tailored strategy.

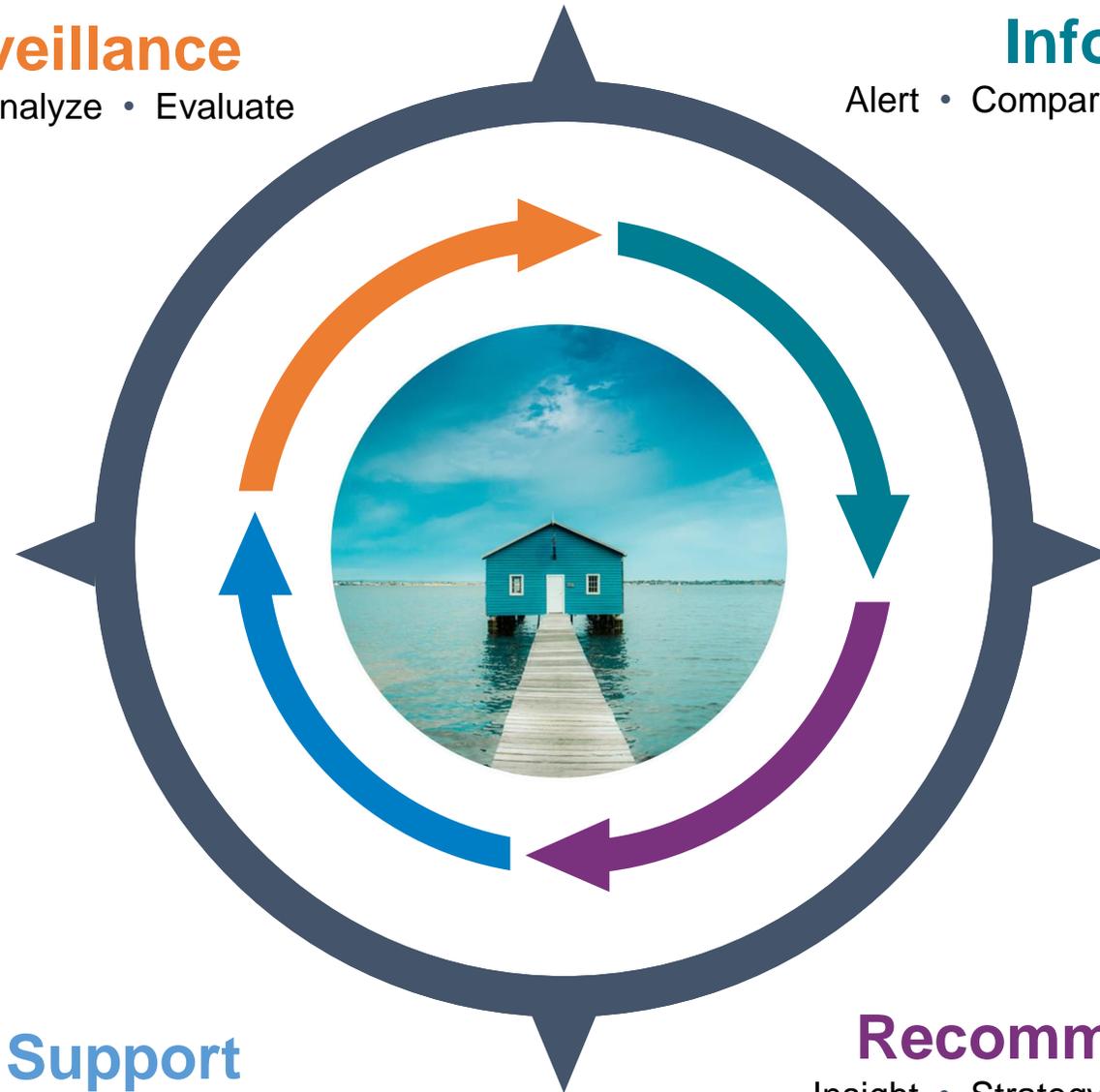
Our mission is to support our client's and their sickest members with concierge level service and provide a proactive clinical strategy to bend the growing drug cost curve.

## Surveillance

Gather • Analyze • Evaluate

## Inform

Alert • Compare • Collaborate



## Support

Concierge • Escalate • Resolution

## Recommend

Insight • Strategy • Deliver

# Rx Solutions Consulting & Coalition Services



## Contract and Financial Management

- Quarterly robust financial & trend reporting package
- PBM contract renewal and annual market check negotiations
- Annual discount guarantee reconciliation
- Quarterly rebate audits and annual benefit design audits



## Clinical Oversight

- Review formulary changes for appropriateness
- Assess new and existing clinical programs for client value
- Communications on industry related clinical updates/issues
- Proactively monitor clinical metrics and communicate any identified insights or concerns



## High-Cost Claims Management

- Daily AI surveillance of claims file feed from PBM
- Weekly real-time alerts on high-cost claims and utilization outliers
- Proprietary clinical programs to manage specialty drug utilization
- Proprietary program to manage wasteful hyperinflationary drug use



## Strategic Client Support

- Pharmacist participation in all Rx related meetings, including Stewardship & Strategic Planning meetings
- Advise on plan design, trend management and clinical programs
- Facilitate annual and mid-year Rx performance reviews
- Proactive updates on legislation, news, and events impacting Rx

# Unique Clinical Program Solutions

## Specialty Copay Assistance

- Estimated to save your plan 3-5%
- Direct engagement with members utilizing specialty medications
- Three Simple Steps:
  - Change Specialty Coinsurance to 30%
  - Enroll in a PBM Accumulator Adjustment Program
  - Notify Specialty Members

## Scripta

- Care Navigation for employees to utilize with their medications
- Utilizing a suite of strategies to help save on members out of pocket costs
- Unique tools to enable more informed discussions between members and their doctors
  - Scripta concierge services directly with members
- Personalized Rx Savings Recommendations for members

## Patient Assistance (ImpaxRx)

- Accessing Patient Assistance Programs via the drug manufacturer
- Delivers prescriptions directly to the patient from the manufacturer at \$0 cost to member
- Does not change the current formulary or PBM
- Targeting prescriptions over \$10,000 per fill and may or may not be specialty
- Income parameters may affect members' eligibility

## Mark Cuban Cost Plus Program

- Allowing members to gain access to MCCP drug list
- Bolt-on solution with any PBM
- Members and the client save
- Target opportunities with at least \$500 in client savings

A modern office building interior featuring a prominent glass staircase. Several people in business attire are visible: a woman in a dark suit is walking down the stairs carrying a black briefcase; a man and a woman are standing on an upper level; and two men are seated at a small table in a lounge area on a lower level. The scene is overlaid with a semi-transparent blue filter.

# **The Healthcare Benefits Alliance (HBA) Trust**

# Health Benefit Alliance Trust



# HBA Trust Focus Areas

Our Healthcare Benefits Alliance Trust (HBA) provides specialized solutions in four key areas:

**Expense Reduction**



**Revenue Optimization**



**Quality Leverage**



**Risk Reduction**



# HBA Trust Highlights

## HBA Trust Advantages of Scale

The HBA Trust agreement is designed to deliver savings and benefit enhancements.

- All program policies are run through the Trust and ensure that program parameters are met, guarantees are upheld and all record keeping requirements are completed.
- Members of the Trust, as a pool, have experience that provides higher tolerable loss ratios and reduced expenses.
- Retention rate of members of the Trust is 10+ years.
- By taking advantage of the strength of over 960 participating entities with more than 1 million members, the Trust stability is unmatched.

## HBA Trust Underwriting Features

The HBA Trust offers best-in-class carriers with a history of commitment and support to the Healthcare Industry.

- Reduced expenses and higher tolerable loss ratios equating to 15% savings and greater.
- Extended rate guarantees of up to 5 years for some coverages.
- Underwriting at the individual group level while leveraging the entire pool to obtain better rates and plan designs at both plan inception and renewal.

# HBA Trust Carriers Deliver Substantial Savings

- The strength and scale of The HBA Trust creates opportunities for healthcare organizations and universities to balance risk, control expenses, and increase purchasing power. The HBA Trust entities experience lower plan costs, customized benefit designs, long term rate guarantees and stability in an unstable market.
- The HBA Trust Administrator delivered a proposal to a leading university's medical center for their existing short- and long-term disability lines. The program, utilizing the existing HBA Trust carriers (MetLife and Cigna), provided annualized savings in excess of \$1.5M guaranteed for three years while keeping plan designs identical to current.
- The HBA Trust was able to save this university medical center approximately \$1,578,142 annually or \$4,734,426 over the rate guarantee period.

Coverage	Non-Trust carrier Inforce Annual Premium	HBA Carrier #1 Premium	HBA Carrier #2 Premium	HBA Carrier #3 Premium
STD – Voluntary	\$425,579	\$348,855	\$425,579	\$341,662
STD – Employer	\$2,237,543	\$1,811,864	\$1,910,097	\$1,888,268
STD Buy-up	\$2,421,316	\$2,421,316	\$2,421,316	\$2,421,316
LTD Core	\$1,284,124	\$599,258	\$599,258	\$988,776
LTD Buy-up 1	3,558,991	\$3,188,263	\$3,201,744	\$3,558,991
LTD Buy-up 2	192,297	\$172,152	\$173,067	\$192,297
<b>Total Annual Premium</b>	<b>\$10,119,850</b>	<b>\$8,541,708</b>	<b>\$8,731,061</b>	<b>\$9,391,310</b>
<b>Annual Savings</b>	-	<b>\$1,578,142</b>	<b>\$1,388,789</b>	<b>\$728,540</b>
<b>Rate Guarantee</b>	-	<b>3 Years</b>	<b>3 Years</b>	<b>3 Years</b>
<b>Rate Guarantee Savings</b>	-	<b>\$4,734,426</b>	<b>\$4,166,367</b>	<b>\$2,185,620</b>

# HBA Trust Administrator Testimonials

## Client 1

### **New York City based University Health System with 30,000+ employees**

NFP and the HBA Trust Administrator have been working with this institution for over two years. They had various life and disability scattered amongst their many locations and enterprises. We marketed the life and disability coverages and were able to achieve the following:

- By adding the health system to the HBA Trust the Trust Administrator was able to save this institution **\$978,190** annually or \$3,912,760 over the rate guarantee period on their Life and disability premiums.
- In addition, we have helped them with Absence Management, FMLA best practices, and an internal audit of their FMLA administration.
- They also helped coordinate employee communications of their health plan enhancements.
- Assisted with the implementation of a smart phone-based communication application through our proprietary agreements.

## Client 2

### **West Coast based Physician Group with 164 employees**

This Physician Group was a recent new client for an NFP. The NFP office approached the HBA Trust Administrator in order to save the client substantial money on their Life and Disability Coverages as this client had a large number of highly compensated physicians.

- The HBA Trust Administrator sent RFP's to the HBA Trust carriers and was able to provide annual savings of 51%. This amounted to annual savings in excess of \$442,000 or \$1,325,000 over the extended rate guarantee period.
- The HBA Trust provided tremendous relationship value to NFP office with this Physician group.

# Central Virginia Health Services HBA Trust Savings Summary



Central Virginia Annual Premium Savings – HBA Trust				
Line of Coverage	Current Hartford	Proposed New York Life	Proposed Sun Life	Proposed Standard
Basic Life & AD&D	\$ 128,928	\$ 69,360	\$ 57,120	\$ 77,520
Supplemental Life & AD&D	\$ 52,500	\$ 52,500	\$ 52,500	\$ 50,000
Short-Term Disability	\$ 166,992	\$ 128,226	\$ 149,100	\$ 193,830
Long-Term Disability Core C1	\$ 69,817	\$ 49,315	\$ 53,748	\$ 69,817
Long-Term Disability Buy-Up C1	\$ 20,890	\$ 18,809	\$ 18,209	\$ 20,890
Long-Term Disability C2	\$ 41,760	\$ 34,800	\$ 33,930	\$ 41,760
Coverage by Employer + Employee	Current Hartford	Proposed New York Life	Proposed Sun Life	Proposed Standard
Estimated <b>EMPLOYER</b> Annual Total	\$ 459,997	\$ 334,201	\$ 346,398	\$ 432,927
Estimated <b>EMPLOYEE</b> Annual Total	\$ 20,890	\$ 18,809	\$ 18,209	\$ 20,890
<b>EMPLOYER + EMPLOYEE</b> Annual Total	\$ 480,887	\$ 353,010	\$ 364,607	\$ 453,817
Savings Over In force	-	\$ 127,877	\$ 116,280	\$ 27,070
Percentage Savings	-	26.6%	24.2%	5.6%
Rate Guarantee	-	3 Years	3 Years	3 Years
Rate Guarantee Savings	-	\$ 383,631	\$ 348,840	\$ 81,210

# Our Consulting team will provide analyses on the following



**FIDUCIARY REVIEW AND LIABILITY ANALYSIS**



**INVESTMENT AND TARGET DATE ANALYSIS**



**FEE BENCHMARKING & PROVIDER NEGOTIATIONS**



**PLAN DESIGN REVIEW**



**Plan Governance Review**



**3(16), 3(21), 3(38) AND 404(C) NEEDS AND COMPLIANCE**



**PLAN OPERATIONS REVIEW**



**Superbuild**

# Retirement Team Leader



**Allison Kaylor-Flink**  
**Senior Vice President, ERISA Consulting**

Allison brings more than 30 years of experience in all aspects of defined contribution and defined benefit plan design and administration. She is a nationally recognized expert in ERISA issues, and also assists our clients with investment due diligence, provider benchmarking and fiduciary compliance services. Allison graduated from Adelphi University with degrees in accounting and anthropology and earned a Master of Arts at the University of Texas. 401kWire.com has ranked Allison as one of the “Top 300 Most Influential Advisors in Defined Contribution.” She is ranked by NAPA as a top 50 female Fiduciary advisor on qualified plan since 2016.



**Eric S. Avrumson, CEBS, ChHC,**  
**Senior Vice President, Market Leader**

Mr. Avrumson has over 20 years of experience, beginning his career as a financial underwriter with Aetna Healthcare. He later transitioned to client-facing benefits consulting roles before joining NFP Corporate Services in 2010. As a Practice Leader, he oversees the overall strategic initiatives within the industry that are relevant and impactful group insurance space. Mr. Avrumson collaborates closely with his team to identify opportunities to provide customized cost containment and value enhancements for clients and prospects. Mr. Avrumson holds dual degrees, including a BA and an MBA in Management from the University of Hartford. He has also completed the course of study and exams required to earn the prestigious CEBS designation from the Wharton School at the University of Pennsylvania. In addition, Mr. Avrumson served on the broker advisory council for MetLife, The Hartford and United Healthcare. Beyond his work at NFP, Mr. Avrumson is actively involved in the community. He teaches insurance courses at Baruch College and serves on the Board of Directors for the Boys & Girls Club of Metro Queens.

# WE ARE HERE TO HELP YOU



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