

assureflex
health spending account
the evolution of health and dental care benefits •

**Group Insurance
Savings Calculations**

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Cost-Containment

Assureflex provides employers with absolute control of maximum expenses, by setting calendar yr. maximum benefits available to their eligible employees, which can be allocated by Class, such as by executives and/or employees.

Group Insurance plans estimate Premiums in advance (on Claims Experience) and Target Loss Ratio (the percentage of Premiums used for Claims), resulting in Claims plus 25% (50 employees) to Claims plus 50% (10 to 25 employees).

If Claims are higher than estimated, the premiums will increase the next year.
If Claims are lower than estimated, the Insurers just say thanks for the money.
If Claims increase or decrease, it's always Claims plus 25% to 50%, or more.

Assureflex plan Premiums are Invoiced monthly, (based on Claims processed). There are no Premiums payable (in advance), just in case there may be a Claim. Whether Claims increase or decrease, it's always Claims plus 10% plus taxes.

Assureflex Health Care

There is essentially no risk to insure. Out-of-Country can be covered by the purchase of individual Travel Insurance as needed, and prescription Drug Costs above out of pocket expenses of about 4% of Net Household Income are eligible for the Ontario Trillium Drug Plan. Consideration should be given to changing the insured Health Care to a self-insured Assureflex Health Spending Account.

Calculations (shown on the following Health Care page) show savings incl. tax of \$18,416.09 per yr. (or 63.68%) are available by using Assureflex Health Care.

Insurer Target Loss Ratio of 71.00% cost is always claims plus 40.85% plus tax. Assureflex Administration Fee, the cost is always claims plus 10.00% plus tax.

Assureflex Dental Care

There is no risk to insure. Dental Care is primarily a budgetable expense at Employer selected yearly maximums. Consideration should be given to changing the insured Dental Care to a self-insured Assureflex Health Spending Account.

Calculations (shown on the following Dental Care page) show savings incl. tax of \$5,845.90 per yr. (or 31.89%) are available by using Assureflex Dental Care.

Insurer Target Loss Ratio of 71.00% cost is always claims plus 40.85% plus tax. Assureflex Administration Fee, the cost is always claims plus 10.00% plus tax.

Health Care Comparison

Insurer Expense on a Prepaid Premium Basis with Defined Benefit Levels

Insurer Paid Claims \$ 8,003.00

Single 6 \$ 45.29 \$ 3,260.88
Family 13 \$ 150.74 \$ 23,515.44

Trend Factor 10.00% included

Premiums after Inflation \$ 26,776.32
Administration Fee included
Annual Premiums \$ 26,776.32

Change in Annual Premiums

RST on Premium 8.00% \$ 2,142.11
HST on Admin. Fee 13.00% n/a
Premium Tax 2.00% included
Annual Expense \$ 28,918.43

Change in Annual Expense

Assureflex HSA on a per Occurrence Basis with Defined Maximum Contributions

\$ 8,003.00 Assureflex Paid Claims

\$ 8,003.00 12.00 Months
\$ 8,003.00 Annualized for 12 Months

\$ 800.30 10.00% Trend Factor

\$ 8,803.30 Claims after Inflation Factor
\$ 880.33 10.00% Administration Fee
\$ 9,683.63 Annual Premiums

\$ -17,092.69 -63.84% before Taxes

\$ 704.26 8.00% RST on Claims
\$ 114.44 13.00% HST on Admin. Fee
\$ 193.67 2.00% Premium Tax
\$ 10,502.34 Annual Expense

\$ -18,416.09 -63.68% including Taxes

note average current Health Care Claims per participant (Insurer statistics) \$ 385.87 single
note average current Health Care Claims per participant (Insurer statistics) \$ 1,284.30 family

note with Insurer Target Loss Ratio of 71.00% cost is always claims plus 40.85% plus tax
note with the Assureflex Administration Fee, the cost is always claims plus 10.00% plus tax

Assureflex Health Spending Accounts are alternatives to Insured Health and/or Dental Care.
Assureflex and Insurer Premiums assume similar Employee Claims patterns will continue.

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Dental Care Comparison

Insurer Expense on a Prepaid Premium Basis with Defined Benefit Levels

Insurer Paid Claims \$ 9,690.00

Single 6 \$ 34.41 \$ 2,477.52
Family 13 \$ 92.92 \$ 14,495.52

Trend Factor 8.00% included

Premiums after Inflation \$ **16,973.04**
Administration Fee included
Annual Premiums \$ **16,973.04**

Change in Annual Premiums

RST on Premium 8.00% \$ 1,357.84
HST on Admin. Fee 13.00% n/a
Premium Tax 2.00% included
Annual Expense \$ **18,330.88**

Change in Annual Expense

Assureflex HSA on a per Occurrence Basis with Defined Contributions

\$ 9,690.00 Assureflex Paid Claims

\$ 9,690.00 12.00 Months
\$ 9,690.00 Annualized for 12 Months

\$ 775.20 8.00% Trend Factor

\$ **10,465.20** Claims after Inflation Factor
\$ 1,046.52 10.00% Administration Fee
\$ **11,511.72** Annual Premiums

\$ **-5,461.32** -32.18% before Taxes

\$ 837.22 8.00% RST on Claims
\$ 136.05 13.00% HST on Admin. Fee
\$ 230.23 2.00% Premium Tax
\$ **12,484.98** Annual Expense

\$ **-5,845.90** -31.89% including Taxes

note average current Dental Care Claims per participant (Insurer statistics) \$ 293.17 single

note average current Dental Care Claims per participant (Insurer statistics) \$ 791.68 family

note with Insurer Target Loss Ratio of 71.00% cost is always claims plus 40.85% plus tax

note with the Assureflex Administration Fee, the cost is always claims plus 10.00% plus tax

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