

# CREATING UBER COMPETITIVE BENEFITS

to Retain Executives in a People-Dependent Industry



## PRIMARY PLAN SNAPSHOT:

### DEDUCTIBLE:

**In Network:**  
\$1,000/\$3,000

**Out of Network:**  
\$3,000/\$6,000

### MAXIMUM OOP:

**In Network:**  
\$3,500/\$7,000

**Out of Network:**  
\$7,000/\$14,000



## THE CLIENT

A mid-size investment firm was looking to save costs by making changes to their primary health plan offerings. They knew that the changes they were proposing wouldn't be welcomed by their executives and wanted to lessen the impact it had on key talent in their people-dependent industry. After all, they didn't want to save money on benefits just to spend money in other areas, such as their recruitment budget.



## THE CONTEXT

Instead of offering 3 different primary plans, they moved to one primary plan option. While the new primary plan was more robust than others in the market (see Primary Plan Snapshot), it didn't offer as much coverage for out-of-network and prescriptions as their former highest plan option did. Their executives had previously chosen to enroll in the highest plan option because they valued having robust healthcare coverage in place for themselves and their families.



## THE OBJECTIVES

The firm wanted to implement benefit cost-saving changes without upsetting their executives, who were critical to their business. They hoped that enhancing the executive benefit program would off-set the primary plan changes. They had already invested in Executive Life and Disability coverage and were looking to implement other executive-level benefits as a retention investment.



## THE SOLUTION

The broker introduced **ArmadaCare's Ultimate Health**, which the company decided to use to further boost their executive benefit package. Two Ultimate Health plan options were provided to executives based on tenure: *Diamond* and *Diamond Plus*.



## THE IMPACT

The firm's enhanced executive benefit program kept the executives happy despite the primary plan change.

With Ultimate Health's tax-efficient\* reimbursement and wellness components, the firm created a modern-day executive benefit program that rivaled programs offered by regional and national competitors.

COMPENSATION			
Out-of-Pocket Expenses	How Paid	Cost to Company (including payroll & other taxes)	Take Home Value
\$7,500	Compensation	\$8,500	\$4,500
\$7,500	Grossed Up Compensation	\$12,500	\$7,500

TAX-EFFICIENT ARMADACARE SOLUTIONS		
Product	Cost to Company**	Take Home Value
Ultimate Health	\$9,000-\$12,000	Up to \$100K of coverage

\* This is not local, state or federal tax advice as each person and company is unique. It is recommended that you seek the independent counsel of a professional tax adviser.

\*\* These are general composite numbers only. Actual premiums will be determined based on standard underwriting guidelines and characteristics of the group.



### Tool to Reward and Retain

Having two different plan levels of Ultimate Health (Diamond and Diamond Plus) was used to reward and retain based on tenure. So, executives with more than 10 years with the company moved from Diamond to Diamond Plus coverage as an incentive for company loyalty. Both plans offer constant reminders with ongoing touches throughout the year, rather than a one-time event like a bonus or compensation.



### Wellness Components

The firm's executives hold substantial value in their leadership skills, knowledge and experience. When a health issue strikes an executive (or one of the executive's family members) the business impact goes beyond lost time or medical bills. The health concern presents a distraction factor for the executive and impacted areas of the company. The firm appreciated the fact that Ultimate Health included wellness components that could help mitigate such distractions with the following plan components:

- **Executive Physical Program:** Comprehensive executive physicals that take care of all screenings at one time to lessen the stress and time associated with scheduling and attending a multitude of appointments. Providing coverage toward executive physicals can help key employees catch health issues.
- **TopDoc Connect:** A specialty physician matching service that ensures executives receive access and guidance to the best specialists for their conditions.
- **Take Me Home:** 24/7 domestic and international emergency travel services that help in qualifying local care providers and with medical air evacuation coverage.



### Tax Efficiency\*

Since Ultimate Health's premiums can be tax deductible for the employer, it's less expensive than a comparable amount in compensation since premiums don't incur payroll taxes.\*

So, Ultimate Health actually costs less while providing more value where executives are looking for it: in their health benefits.



### Overall Impact

In the year following the implementation of ArmadaCare's Ultimate Health plan, the firm reported that they didn't lose any of their executives due to the primary plan changing. In fact, they exceeded their retention goals for the year.

#### In the words of this firm's CHRO:

**"There's a lot of added value in Ultimate Health's tax efficiency and ability to offer expansive coverage. Ultimate Health sends a clear message that you're 'taken care of' to our leadership team, which is important for our firm. After all, in order to accomplish our growth goals, our leaders must focus on innovation in all areas, from compliance and risk management to technology and service. With Ultimate Health, our leaders are protected from all angles, enabling them to achieve that focus."**

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