

## Employee Benefits Programs

One of Architype Benefits' biggest advantages is our flexibility. We have a variety of plan designs available to ensure clients get what they want and need, and at a price that is affordable. In general, that means we can tailor our plans to your needs and your budget as required – you're the driver in this relationship.

There are a couple of primary plan design types we use, and individual plans are then tailored around these two models.

### **CONVENTIONAL POOLED FUNDING PLANS**

This plan type takes a client's funding payments and puts the money into a common company fund (a pool of money) from which the employees draw as needed and according to their plan rules to pay their claims. This is the industry standard model, and many people prefer it simply because it's what they are used to. There's absolutely nothing wrong with that. It does have a down-side though. If you end up with claims running consistently ahead of revenue, you have to consider this is a business model just like your business. Expenses going out cannot be sustained if they are larger than revenue coming in. From Architype Benefits or from one of the big insurance providers, that's going to mean price increases, although they do usually level off at some point.

The benefits of a pooled type account are primarily in getting what you are used to, and what your employees expect. The account is packaged the same way most competing plans from 'big insurance' are packaged. It looks the same to your employees, and as a result they are comfortable with it. In addition, Architype Benefits fees are usually considerably lower than 'big insurance' prices, so more of your money actually goes into paying claims to your employees – the primary purpose of the plan.

### **HEALTH SPENDING ACCOUNTS – HSA's**

HSA plans assume that a defined and acceptable level of cash is going towards funding your plan, and is being deposited into your company's account for your employees. Each employee has a separate sub-account which we track at Architype Benefits for you. In effect, this is exactly like a series of individual employee bank accounts, which can only be used for CRA approved medical or dental expenses. What is in the employee account at any one time is the available and spendable balance for claims. The longer an employee works for you, the bigger the account, so employees with longer service typically have more 'coverage' in their account. This doesn't go on forever though.

Accounts balances are usually reviewed at the second annual renewal meeting, and annually from that point on. If an account gets too high in an employee's account, we refund premiums back to the company. (There are different options in how this Refund of Excess Premium can be received.) If there is excess premium for many of your employees,

we review the whole company and may well recommend a premium decrease – this actually happens fairly often.

The benefits of the H.S.A. plan are:

- Your price is fixed, and guaranteed
- No employee can consistently over-claim (this always happens to some degree in pooled plans), so employees can't drive your plan into a price increase
- As such, this plan incorporates a "Guaranteed No Increase" feature.
  - There will be a recommended increase at some point, but it's not mandatory, and your company has the right to say no, or adjust the recommendation from Architype Benefits.
- Clients have Full Cost Control over their benefits plan, so no surprises at renewal time with 20 – 40% premium increases; sometimes worse.
- If you're not happy, the plan can always be switched over to a different design type. There is no charge for this, although it may involve a premium adjustment in some cases.
- If you're still not happy, you get all your unused premium dollars refunded to you.

#### MORE GENERAL BENEFITS FOR CLIENTS

*Our general philosophy is something like Costco's: consistent with making a reasonable profit, let's keep fees to a minimum. It's much easier to keep good clients and treat them well, than it is to have to replace them regularly.*

If you're interested, contact us and request a quote. We'll be happy to meet with you and discuss what you want and what your particular concerns are. That's the most important part. Your previous plan experience may be requested to help us understand what your issues are and what premium level is appropriate for you.