



CBIZ Prospect Presentation

For:



Our business is growing yours



August 10, 2016

- **Introductions**

Clarkson Jones, CFO – Reliable Heating and Air
Steve Hallock, COO – Reliable Heating and Air
Amanda Cooper, Director of HR – Reliable Heating and Air
Marion Schremp, Business Unit President– CBIZ
Alicia Kelly, Senior Account Manager – CBIZ

- **CBIZ Facts**

- **Open Discussion Topics – Assessment of needs**

- Bending the Trend Line
- Affordable Care Act Compliance
- State/Federal Compliance
- Private Exchanges

- **Agenda**

- **Review of Draft Multi-Year Action Plan**

- **Next Steps**



Who We Are

- Publically Traded (NYSE:CBZ)
- # 1 U.S. Benefits Specialist by Revenue (2015)
- 18th Largest Insurance Broker of U.S. Business (2015)
- Over 4000 Employees in 140 offices nationwide
- Top 20 US Based Accounting Firm
- Areas of Specialization
 - Employee Benefits
 - 401 (k) and Pension Administration
 - Payroll and Benefit Administration
 - Property & Casualty
 - Accounting/Audit/Taxation
 - Valuation
 - Corporate Recovery Services

Marion B. Schremp, RHU, REBC

CBIZ Benefits & Insurance Services, Inc.
One Overton Park, 3625 Cumberland Boulevard, Suite 800
Atlanta, GA 30339 • www.cbiz.com
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CBIZ Fact Sheet

Benefits & Insurance

- Employee Benefits Consulting
- Human Capital Management/ Payroll
- Property & Casualty
- Retirement Plan Services
- Human Capital Services
- Executive Search
- Compensation Consulting
- Life Insurance



Financial & Accounting

- Accounting & Tax
- Government Health Care Consulting
- Financial Advisory
- Valuation
- Litigation Support
- Risk & Advisory Services
- Real Estate Advisory Services

CBIZ Atlanta Benefits and Insurance Office

- 300 Clients
- Manages \$400 Million in Employer Sponsored Health and Welfare Benefit Expenditures
- Staff of 22 Professionals
- Areas of Expertise
 - Mid to large size employers
 - Employers with multi-state and international operating entities
 - Regulatory Compliance to include Patient Protection and Affordable Care Act
 - Employee Wellness Programs
 - Integrated HR, Benefit and technology solutions
 - Dedicated emerging businesses unit for startups or immature companies with PE ownership/support

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July 20, 2015

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SPECIAL REPORT

100 LARGEST BROKERS OF U.S. BUSINESS*

Ranked by 2014 brokerage revenue generated by U.S.-based clients

2015 rank	2014 rank	Company	2014 U.S. brokerage revenue	Percent change
1	2	Marsh & McLennan Cos. Inc. ¹	\$5,834,700,000.	5.7%
2	1	Aon P.L.C.	\$5,811,186,500	4.5%
3	3	Arthur J. Gallagher & Co. ¹	\$2,400,400,000	13.7%
4	4	Willis Group Holdings P.L.C. ¹	\$1,732,820,000	3.7%**
5	5	BB&T Insurance Holdings Inc. ¹	\$1,713,527,200	8.3%
6	6	Brown & Brown Inc. ¹	\$1,567,459,943	15.6%
7	7	Wells Fargo Insurance Services USA Inc.	\$1,298,884,000	(3.8%)
8	9	USI Holdings Corp. ¹	\$912,890,811	16.7%
9	8	Lockton Cos. L.L.C. ²	\$910,572,960	10.2%
10	10	Hub International Ltd. ¹	\$907,065,600	18.0%
11	11	National Financial Partners Corp. ¹	\$795,986,566	7.3%
12	12	Alliant Insurance Services Inc. ³	\$618,929,905	13.2%
13	13	AssuredPartners Inc. ¹	\$449,110,764	29.9%
14	NR	Towers Watson & Co.	\$444,640,300	19.1%
15	14	Jardine Lloyd Thompson Group P.L.C. ^{1,3}	\$354,796,431	122.5%**
16	19	BroadStreet Partners Inc. ¹	\$246,355,000	63.0%
17	15	Leavitt Group ¹	\$222,453,000	9.8%
18	16	CBIZ Benefits & Insurance Services Inc. ¹	\$206,100,000	7.1%
19	42	Acrisure L.L.C. ¹	\$191,273,467	147.1%
20	25	Integro USA Inc. ¹	\$169,901,600	51.6%

NR Not ranked in 2014. *Companies that derive more than 49% of their gross revenue from personal lines benefits are not ranked. **2013 restated. 1 Reported U.S. acquisitions in 2014. 2 Fiscal year ending April 30. 3 British pound = \$1.5586. 4 Fiscal year ending May 31. 5 Fiscal year ending March 31. 6 Fiscal year ending June 30. 7 British pound = \$1.5205. 8 Acquired by Marsh & McLennan Agency L.L.C. in 2015. 9 Fiscal year ending Sept 30. 10 Fiscal year ending Feb 28. 11 Fiscal year ending Aug. 31. Source: BI survey

BENEFITS SPECIALISTS

Brokers specializing in employee benefits, ranked by percentage of business*

Company	City/state	2014 employee benefits revenue	% increase (decrease)	% Total
Benefit Controls Cos.	Charlotte, North Carolina	\$19,600,000	5.9%	100%
FBMC Benefits Management Inc.	Tallahassee, Florida	\$19,237,442	5.9%	100%
NationalHR	Marlton, New Jersey	\$1,675,000	15.5%	100%
Corporate Synergies Group L.L.C.	Mount Laurel, New Jersey	\$38,980,000	4.9%	97.5%
Digital Insurance Inc.	Atlanta	\$91,904,982	37.4%	97.2%
LHD Benefit Advisors L.L.C.	Indianapolis, Indiana	\$6,437,449	28.3%	97.1%
Cowan Benefits Inc.	Brentwood, Tennessee	\$12,519,392	5.8%	92.9%
Associated Financial Group L.L.C.	Minnetonka, Minnesota	\$49,257,728	31.5%	64.8%
The Plexus Groupe L.L.C.	Deer Park, Illinois	\$12,283,834	2.9%	64.7%
CBIZ Benefits & Insurance Services Inc.	Kansas City, Missouri	\$130,600,000	5.3%	57.7%

LARGEST BENEFITS SPECIALIST BY REVENUE

M3 Insurance Solutions Inc.	Madison, Wisconsin	\$26,053,008	8.0%	56.1%
Oswald Cos.	Cleveland	\$36,400,000	6.6%	55.1%
The Insurance Exchange Inc.	Rockville, Maryland	\$4,535,294	2.9%	53.4%

Published September 28, 2015 in Broker Supplement.* Companies with 51% or more of brokerage revenue from employee benefits

Source: BI survey



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NYSE Listed: CBZ

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CBIZ Benefit Consulting Services

CBIZ

Our business is growing yours

- Financial & Actuarial Analysis, Benchmarking, ROI Determination
- Cost Management
 - Current and Outgoing Cost Analysis
 - Renewal Negotiations
 - Predictive Modeling 12, 36, and 60 Months
- Quality Management
- Stewardship
 - Monthly Calls
 - Quarterly meetings to review plan performance
 - Vendor/Payer Performance Management
- Marketing
 - Local, National, and International
- Implementation Management
- Communication and Enrollment Assistance
- Employee Advocacy
- Onsite Medical Clinics
- Telemedicine ROI Evaluation
- Benefit/HR Staff Training and Support
- Regulatory Compliance Review & Assistance
 - State & Federal mandates including PPACA
- Benefits Website & Employee Benefit Portal
- Defined Contribution Strategy
- Consumer Directed Health Plans
- Integrated Voluntary Benefits
- Consolidation(s) / Mergers & Acquisitions
- Network Evaluation and Efficiencies
- Funding Analysis (self-funded versus fully insured)
- Disease / Chronic Care Management
- Wellness / Health Risk Analysis
- Dependent Eligibility Audit
- Absence Management
- Benefits for Non-Core Benefit Eligible Employees – MEC Plans
- Voluntary Benefits
- Global Benefits
- Prescription Benefit Management (RX) Carve Outs
- Life And Disability Carve Out Analysis



CBIZ HRSolutions

CBIZ HRSolutions is a comprehensive online HR Information Portal and Live Hotline, providing you with quick access to the resources, information, and answers you need...when you need them. CBIZ HRSolutions is your HR Lifeline that helps you manage day-to-day human resources issues, thereby freeing up your valuable time.

INFORMATION BY HR TOPIC

INFORMATION & RESOURCES LINKS

CBIZ SERVICES LINKS

EMAIL FORM

PHONE LINE

LIVE HOTLINE that gives you the support of a full team of Human Resources specialists who are prepared to provide you with the answers and practical advice you need. Every month you have access to four (4) hours of HR assistance – via phone or email – so that you can:

- ☐ Submit questions and receive thorough answers
- ☐ Address HR issues while they are small and manageable
- ☐ Have a safety net and extra support when needed
- ☐ Save time!

INFORMATION on crucial HR topics, including:

- ☐ Benefits & Compensation
- ☐ Compliance
- ☐ Leaves of Absence
- ☐ Performance & Productivity
- ☐ Equal Employment Opportunity
- ☐ Risk Management & Safety
- ☐ Recruiting, Selection & Staffing

RESOURCES, MODEL DOCUMENTS AND FORMS that can be downloaded and used as a foundation from which to build custom documents for your organization, such as:

- ☐ HR Policy Handbook
- ☐ COBRA Forms
- ☐ Personnel Forms
- ☐ Promotion & Transfer Policies
- ☐ Handbook Receipt Form
- ☐ Health & Safety Policy
- ☐ Leave Policies & Forms

PRODUCTIVITY TOOLS, including:

- ☐ Custom Job Descriptions: a library of thousands of job descriptions and a tool to create your own custom descriptions within minutes
- ☐ Performance Now: a tool that facilitates preparation of employee reviews

NEWS AND ARTICLES on current trends, timely subjects, best practices, and more.

VISIT US at www.cbiz.com/hrsolutions to view a brief demo.



our **business** is growing **yours**

CBIZ HRSOLUTIONS

The information you need *and* the personal attention you deserve

The CBIZ HRSolutions team provides practical human resources consulting advice based upon our research and experience in the industry and with our clients. We do not provide legal or tax advice and encourage you to consult with your labor attorney or tax accountant.



ACCOUNT EXECUTIVE



ACCOUNT MANAGER

- Manage client's account and day-to-day issues
- Implementation and Enrollment
- Claim, Billing, and Service Issues
- Compliance Assistance



EMPLOYEE ADVOCATE

- Liaison between employee and insurance carrier / TPA to resolve employee issues



MARKETING MANAGER

- Market and Product Analysis
- Benchmarking
- Skilled Negotiator



UNDERWRITING MANAGER

- Financial, Actuarial and Underwriting Analysis
- Financial Modeling
- Benefit Comparison Preparation



WELLBEING CONSULTANT

- Wellbeing program design and implementation of 3 year strategy
- Stewardship and ROI determination
- Wellbeing program goals
- Employee wellbeing and risk assessment



Key Associates

Marion B. Schremp, RHU, REBC

- Business Unit President – CBIZ Benefits & Insurance Services, Inc.
- Founder & CEO – Multiple Benefit Services, Inc.
- First Recipient of AAHU Lifetime Achievement Award
- Former President – Atlanta Association of Health Underwriters (AAHU)
- Account Manager – Marsh
- Regional Manager Flexible Benefits – Lincoln Financial Group
- Manager Member Service – AmeriPlan HMO
- Benefit Administrator – Crawford & Company – Atlanta, GA
- Claims Analyst – Excellus BCBS, Rochester, NY

Frederick R. Schremp, CLU

- Senior Vice President – CBIZ Benefits & Insurance Services, Inc.
- President – Multiple Benefit Services, Inc.
- Regional Director – Highmark Life & Casualty
- General Manager – Preferred Plan of GA (PPO)
- President – Lincoln National Health Plan (HMO)
- Vice President – S.E. Group Operations – Lincoln Financial Group
- Captain, U.S. Army 1967–1973
- M.A. Economics – University of California, 1973
- B.S. Engineering – United States Military Academy, 1967

Key Associates Continued

Alicia Kelly, GBA

- Senior Account Manager – CBIZ Benefits & Insurance Services, Inc.
- Account Manager – Multiple Benefit Services, Inc.
- Specializes in the administration of multi-site plans including implementation, multi-year strategic and financial analysis, vendor management and client compliance
- Senior Benefits Analyst – Certegy
- Group Benefit Associate (GBA) designation – CEBS
- Current Member – SHRM, NAHU
- M.A. – The Catholic University of America
- B.A. – Georgia State University

Kelly Abbott, RHU

- Vice President, Marketing – CBIZ Benefits & Insurance Services, Inc.
- Senior Marketing Manager – Multiple Benefit Services, Inc.
- Former Board Member and current member of The Atlanta Association of Health Underwriters (AAHU) and The National Association of Health Underwriters (NAHU)
- Specializes in the management of national and regional carrier relationships, enrollment platform.
- Registered Health Underwriter (RHU) – Certified in 2005



Key Associates Continued

Ronald Deterding

- Vice President – CBIZ Benefits & Insurance Services, Inc.
- Vice President, Underwriting and Finance – Multiple Benefit Services, Inc.
- Current member of the National Center for Policy Analysis, Freedom Works
- 2010 President's Council Award Recipient with the National Association of Health Underwriters (NAHU)
- 2009 Golden Eagle Award Recipient with the National Association of Health Underwriters (NAHU)
- 2008 Golden Eagle Award Recipient with the National Association of Health Underwriters (NAHU)
- Account Executive – Blue Cross Blue Shield of Iowa
- Senior Benefits Underwriter – Principal Life
- Professional, Health Insurance Advanced Studies from America's Health Insurance Plans (PHIAS)
- Professional, Academy for health Management from America's Health Insurance Plans (PAHM)
- M.B.A. in Corporate Financial Management – Upper Iowa University
- B.A. in Business Administration – Grand View College





Key Associates Continued

Joseph Shorter

- Financial Analyst – CBIZ Benefits & Insurance Services, Inc.
- Senior Financial Analyst – Access Insurance Holdings
- Senior Reinsurance Specialist – Munich Re.
- Actuarial Analyst – Union Standard Insurance Co.
- Actuarial Analyst – LA Department of Insurance
- B.S. Mathematics – Tulane University



Key Associates Continued



LaTonia McGinnis, Wellbeing Account Executive

- Wellness Coordinator – CBIZ Benefits & Insurance Services, Inc./RaceTrac Petroleum
- Manager, Wellness and Work Life – Children’s Healthcare of Atlanta
- Program Coordinator/Childhood Obesity-Children’s Healthcare of Atlanta
- Master’s of Public Health– University of Alabama at Birmingham
- B.S. in Health Promotion and Behavior – The University of Georgia

David S. Rubadue, FSA, MAAA, CLU

- Senior Vice President & National Director of Healthcare Actuarial Services – CBIZ Benefits & Insurance Services, Inc.
- Qualified Actuary – Audits and provides financial opinions on health and welfare plan liabilities
- Co-founder and President – EBS, Inc.
- Chief Actuary and CFO – The Physicians’ Assurance Company
- Consulting Actuary – Coopers & Lybrand
- Former Speaker and Lecturer at Tri-State Actuarial Club and the Insurance, Accounting and Systems Association National meetings
- B.A. Accounting – Michigan State University





Key Associates Continued

Howard Hyman, ASA

- Consulting Actuary – CBIZ Benefits & Insurance Services, Inc.
- Consulting Actuary – Multiple Benefit Services, Inc.
- Principal, Southeast Region Health and Welfare Operations Manager – Towers Perrin
(Now Towers Watson)
- Clients of note include: Delta Airlines, Genuine Parts Company, State of Georgia, Georgia Pacific, Emory University – Emory Healthcare, etc.
- Masters of Actuarial Science – Georgia State University
- M.B.A. – Georgia State University
- B.B.A.– University of Georgia

Key Associates Continued

Karen McLeese

- Vice President, Employee Benefit Regulatory Affairs – CBIZ Benefits & Insurance Services, Inc.
- Member of Kansas City Metropolitan Bar Association, Missouri Bar Association, and Kansas Bar Association
- Member of Health Law Forum and Labor & Employment Law Sections of the American Bar Association
- Author of *At Issue*, a CBIZ client newsletter that provides information of general interest regarding employee benefits law and legislation
- Author of *For Your Benefit*, a CBIZ compliance/reference guide to welfare benefits
- Author of *Benefit Beat*, a monthly CBIZ e-newsletter containing regulatory updates
- Reviews and interprets federal and state laws and regulations impacting employee benefits
- Provides technical support in response to employee benefit issues
- Follows and analyzes trends in employee benefits
- Monitors case law impacting employee benefits
- Juris Doctor – Duke University
- B.A. – University of Notre Dame





2017 Planning: “**Bending the Trend Line**”

- Alternate Funding Analysis
- Plan Design Considerations – CDHP, MVP, and Private Exchanges
- Wellness Plan Design and Incentives
- Implementation of Managed Care & Cost Containment Programs
 - Centers of Excellence
 - Patient-Centered Medical Homes
 - Accountable Care Organizations (ACOs)
 - Value-Based Benefit Design
 - Pharmacy Carve Out
 - Spousal Surcharge/Dependent Eligibility Audit
 - Claim Audits
 - Network Efficacy Analysis
 - Alternative Medical Plan Payment Solutions (AMPS)
 - Tele-Medicine
 - Onsite / Offsite Medical Clinics
 - Medicaid Migration (ACA)
- Voluntary Benefits as a Catalyst for change

ACA Annual Reporting

CHECKPOINT



ANALYZE



Count Full-Time & Full-Time Equivalents

- ✓ Determines applicable large employer (ALE) status



Affordability

- ✓ Determine whether the Plan is affordable to those covered



MANAGE



Measurement Periods

- ✓ Allows administration via console



Transition

- ✓ Move employees between various measurement periods



Different Groups

- ✓ Hourly
- ✓ Salaried
- ✓ By State
- ✓ By Location



TRACK



Measurement Periods at Multiple Levels

- ✓ Company
- ✓ Class
- ✓ Job Type
- ✓ Individual



Employee Status

- ✓ Leave of Absence
- ✓ FMLA
- ✓ Re-hire



Offer of Coverage

- ✓ Track the offer and the response



REPORT



Hours Worked

- ✓ Per Day
- ✓ Per Week
- ✓ Per Pay Period
- ✓ Per Month



To Meet Requirements

- ✓ To Employees
- ✓ To IRS for Section 6055/6056



In Aggregate

- ✓ Report who is in what measurement pool

With regulations like the **Employer Shared Responsibility Tax** coming into effect in **2015**, employers can expect to face a number of reporting and compliance requirements along with associated tax liabilities and penalties.

Aimed at minimizing one's ACA compliance risk, **CBIZ ACA CheckPoint** is an integrated management tool designed to provide continually updated ACA monitoring, reporting, and documentation.



IRS Reporting | Requirements

Who Must File



Employers with
50+ FTEEs

Forms to be Filed



Forms 1094 and
1095 B & C

Purpose



To provide evidence to employees and the IRS that the employer has offered **minimum essential** health care coverage (MEC) meeting **minimum value** to its Full-Time Employees

Filing Deadlines



For Calendar Year 2015, filing in 2016 – then annually to employees by **January 31st**.
Employers with > 250 FTEEs must electronically file copies with the IRS and submit a transmittal Form 1094-C by **March 31st**.

Information Required

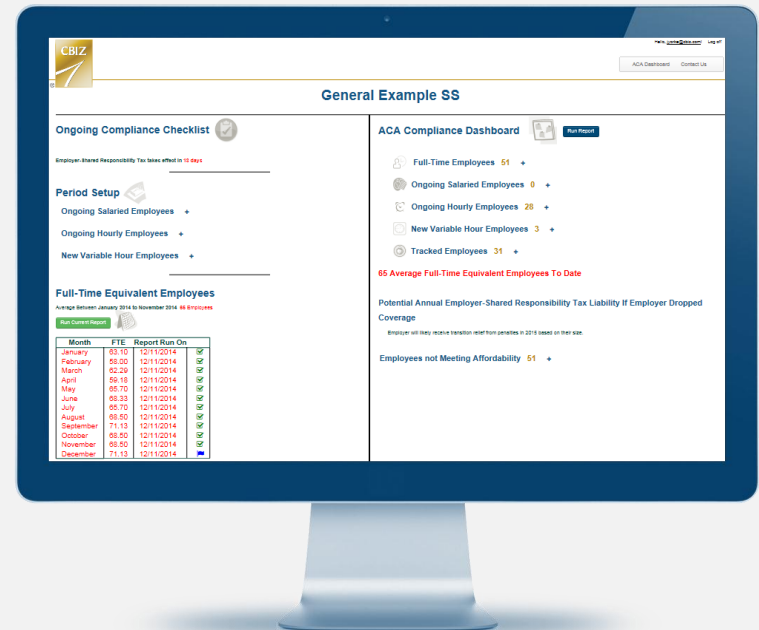


- Number of FTEEs for each month during calendar year
- Identifying information for each FTE including
 - ✓ Name
 - ✓ Address
 - ✓ Taxpayer ID/SS#
- Certification by month that FTEs were given opportunity to enroll in minimum essential coverage
- Monthly information about plan coverage, including employee's share of cost

IRC 6055
6056

CBIZ ACA CheckPoint | The Dashboard

- Allows Applicable Large Employers (ALEs) to track employee hours worked throughout a designated period of time
 - ✓ Determines which employees are full-time and must be offered “minimum essential” health coverage to avoid potential penalties.
- Enables employers to manage their ACA compliance
 - ✓ Can make informed decisions about their workforce, such as knowing which employees are eligible for benefits based upon their full-time status.



Smaller businesses with fewer than 50 FTEs (*particularly those that are **growing** or that employ **seasonal** or **variable hour staff***) will want to regularly monitor their workforce to know where they stand in relation to the 50 FTEE threshold that may trigger Employer Shared Responsibility tax liability.

Benefits exchange 101

Public Exchanges

Run by federal or state government

- Where people go to get their subsidies
- Often offer medical plans only

Private Active Exchanges

Run by private 3rd parties, including brokers, insurers, etc.

- A better way to deliver employer-sponsored benefits
- May include a broad range of benefit types

Private Retiree Exchanges

Run by private 3rd parties including brokers, insurers, etc.

- Expands health plan options for retirees - often include private insurance, Medicare Advantage & Part D, and Medicaid

Private Individual Exchanges

Run by private 3rd parties including brokers, insurers, etc.

- Offers individual plans and port to public exchange
- Aimed at pre-65 retirees and PT workers

Why is the defined contribution and exchange model beneficial for employees?

An exchange is the vehicle that enables a defined contribution funding strategy to work to the employees' advantage



Puts control over a personal decision in the right hands



Allows flexibility from year to year



Provides comprehensive coverage (“total protection”)



Leads to smarter utilization of benefits

Takeaways from 8 years and hundreds of thousands of enrollments



100% buy a different benefits package



~80% buy a different health insurance plan

Most buy something cheaper

People rarely cluster into one or two plans



~70% Dental Insurance

Even distribution across plans



~70% Disability Insurance (40% STD; 45% LTD)



~50% HSA-qualified plans



~50% Vision Insurance



~40% Life Insurance

Dramatic increases in policy amount



~30% Supplemental Health Insurance (accident, CI, hospital)



~15% Pet, Telemedicine, Legal, Wellness, etc.

In Year 2, 65% remain the same, 25% evolve, 10% make radical changes



Presented by:

