



Self-funded Dental

Employer Savings and
Optional Stop Loss Protection

Plans administered by:



MEMBER OF THE IHC GROUP
NYSE: IHC



Dental is Different

While medical plans have seen significant annual rate increases, dental costs have remained steady and typically represent approximately 10% of health care costs.

Fluoride, sealants and other preventive care has dramatically improved oral health. Because most dental needs are predictable, non-catastrophic, low-cost and low-risk, dental benefit plans are ideal for self-funding.

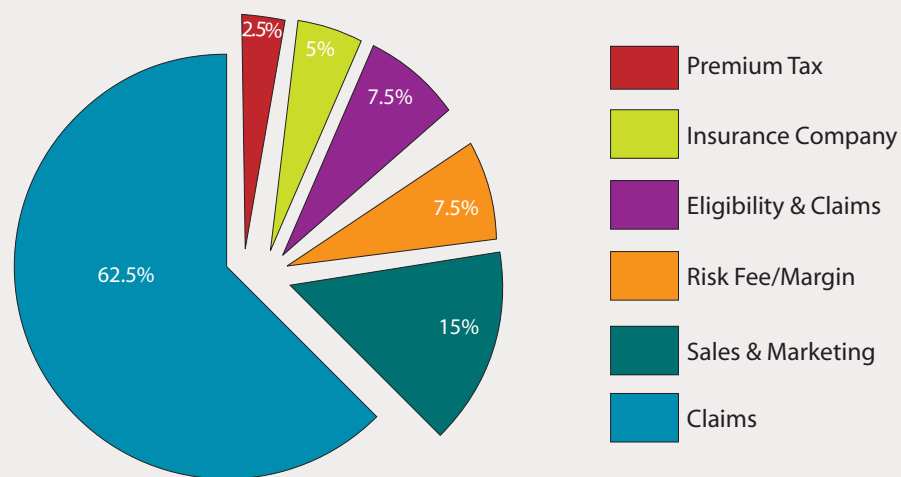
Self-funded vs. Fully Insured

Instead of purchasing insurance coverage from an insurance carrier, an employer can create a self-funded plan where they assume the responsibility for paying employee claims.

The cost savings experienced from moving from a fully insured to a self-funded dental plan can be up to 20 percent. The graph below shows the components of a fully-insured dental plan.

With a self-funded plan, an employer reduces or eliminates administrative expenses such as premium taxes and carrier fees.

Fully Insured Dental Plan Components and Percentage of Total Cost



Self-funded plans also offer:

- Unlimited plan design capability
- Fixed cost availability with stop loss coverage

Aggregate Stop Loss Coverage

An Aggregate Stop Loss (ASL) policy protects an employer against fluctuations due to claim frequency. An employer's overall claim liability is limited to a certain dollar amount, referred to as the Attachment Point.

The ASL policy provides reimbursement when covered claims for the plans as a whole exceed the Attachment Point. ASL policies are sold only in conjunction with self-funded dental programs by GroupLink.

GroupLink offers two ASL policy types:

12/12 coverage: Requires that all claims are incurred and paid within the 12-month contract period.

12/15 coverage: Requires that all claims are incurred within the 12-month contract period, but paid within 15 months. (Includes a 3-month run-out period).

Underwriting

Self-funded plans with Aggregate Stop Loss policy must meet the following requirements:

- Plan must be exclusive employer plan
- Employer must contribute a minimum of 50% of expected cost
- Minimum 25 lives with employee participation of 75%
- Minimum premium for 12/12 contract is \$1,250
- Minimum premium for 12/15 contract is \$2,500



Cost Containment Features and Benefits

In addition to the administration and reporting included in the Self-funded dental product, GroupLink offers optional cost containment services, providing additional value to the administrative services:

Coordination of Benefits

- Data captured at time of enrollment and from provider billings.
- COB savings are approximately 5%.

Usual, Customary & Reasonable Reviews

- GroupLink subscribes to a national database.
- UCR percentage selected by the employer, i.e. 80th percentile, etc.
- Adjudication system automatically applies to each claim.
- UCR savings are approximately 10%.

Subrogation

- Accident and third party liability claims reviewed for reimbursement.
- Calendar and lifetime maximums of the plan design determine how many dollars are potentially reimbursed.

Dental Necessity Reviews

- Internal and external dental consultants used for review.
- General dentist and specialists available in all 50 states for claim review
- Medical necessity savings are approximately 3%.

Rebundling of Unbundled Charges

- Claims staff and adjudication system identify unbundling.
- Billings are rebundled and processed using ADA methodologies.
- Explanations are provided to the dentist so they know why they charges were recoded.

Plan Design Review

- GroupLink will review with client initially and each year at renewal.
- Will discuss areas where client may be at risk of exposure.
- Any plan design changes will be at authority of client.

Full Time Student Verification

- Collected at time of enrollment and re-verified each semester.
- Close monitoring prevents client from covering dependents who are no longer eligible under this plan.

Preferred Provider Organizations (PPOs)

- Contracted with multiple PPO networks nationwide.
- Employer & Employee savings from 20-60%.

Dental Plan Cost Comparison*

	Self Funded			Fully Insured
	Minimum	Expected	Maximum	Actual
EMPLOYEE ONLY				
Expected Claim Cost	\$ -	\$ 18.00	\$ 21.60	\$ -
Plan Administration Expense	\$ 4.00	\$ 4.00	\$ 4.00	\$ -
Sales & Marketing Expense	\$ 2.00	\$ 2.00	\$ 2.00	\$ -
Stop Loss Insurance Premium	\$ 1.50	\$ 1.50	\$ 1.50	\$ -
Total	\$ 7.50	\$ 25.50	\$ 29.10	\$ 28.00
Number Covered	10	10	10	10
Monthly Cost	\$ 75.00	\$ 255.00	\$ 291.00	\$ 280.00
Annual Cost	\$ 900	\$ 3,060	\$ 3,492	\$ 3,360
EMPLOYEE AND SPOUSE				
Expected Claim Cost	\$ -	\$ 36.00	\$ 43.20	\$ -
Plan Administration Expense	\$ 4.00	\$ 4.00	\$ 4.00	\$ -
Sales & Marketing Expense	\$ 2.00	\$ 2.00	\$ 2.00	\$ -
Stop Loss Insurance Premium	\$ 1.50	\$ 1.50	\$ 1.50	\$ -
Total	\$ 7.50	\$ 43.50	\$ 50.70	\$ 50.00
Number Covered	10	10	10	10
Monthly Cost	\$ 75.00	\$ 435.00	\$ 507.00	\$ 500.00
Annual Cost	\$ 900	\$ 5,220	\$ 6,084	\$ 6,000
EMPLOYEE AND CHILD(REN)				
Expected Claim Cost	\$ -	\$ 36.00	\$ 43.20	\$ -
Plan Administration Expense	\$ 4.00	\$ 4.00	\$ 4.00	\$ -
Sales & Marketing Expense	\$ 2.00	\$ 2.00	\$ 2.00	\$ -
Stop Loss Insurance Premium	\$ 1.50	\$ 1.50	\$ 1.50	\$ -
Total	\$ 7.50	\$ 43.50	\$ 50.70	\$ 50.00
Number Covered	10	10	10	10
Monthly Cost	\$ 75.00	\$ 435.00	\$ 507.00	\$ 500.00
Annual Cost	\$ 900	\$ 5,220	\$ 6,084	\$ 6,000
FAMILY				
Expected Claim Cost	\$ -	\$ 79.68	\$ 96.00	\$ -
Plan Administration Expense	\$ 4.00	\$ 4.00	\$ 4.00	\$ -
Sales & Marketing Expense	\$ 2.00	\$ 2.00	\$ 2.00	\$ -
Stop Loss Insurance Premium	\$ 1.50	\$ 1.50	\$ 1.50	\$ -
Total	\$ 7.50	\$ 87.18	\$ 103.50	\$ 100.00
Number Covered	10	10	10	10
Monthly Cost	\$ 75.00	\$ 871.80	\$ 1,035.00	\$ 1,000.00
Annual Cost	\$ 900	\$ 10,462	\$ 12,420	\$ 12,000
Total Monthly Cost	\$ 300.00	\$ 1,996.10	\$ 2,360.00	\$ 2,280.00
Total Annual Cost	\$ 3,600	\$ 23,953.20	\$ 28,320	\$ 27,360

*Self-funded monthly maximum costs are illustrative only. Aggregate stop loss insurance is reimbursed annually. Above illustration does not include plan start up or SPD printing costs.



“To serve our representatives with competitive products and pricing while exceeding customer service expectations.”

- *GroupLink Mission Statement*

Service

GroupLink is a full service company including Third Party Administration, Program Management, Producer Marketing and Sales Assistance. Our customer-based service is outstanding, with industry leading turn around times for:

- Producer contact to discuss submitted quotes within 24 hours
- New case issue within 10 days of receipt of all information
- Employee adds/deletes within 48 hours
- Claims processing within 5 working days

We provide policyholders with timely and accurate billing statements and providers with speedy payments, which results in satisfied customers. By making it easy to do business with us, we allow you to spend more time on your business and less time with service issues.

Dental Specialists

GroupLink has been marketing and administrating dental benefits since 1983. We have a proven history of success and are proud of our accomplishments. We strive to continuously improve and seek ways to enhance the GroupLink suite of products and services.

GroupLink is a subsidiary of Independence Holding Company, a publicly-traded company (NYSE: IHC) with assets in excess of \$1 billion. IHC has been providing life and health insurance solutions for over 25 years and has the stability and the resources to deliver the confidence and peace of mind you seek.

Our entire staff and management team is always available to answer your questions. In addition, our claims department is open from 8:00 am to 6:00 pm EST.

Support

We are here to serve the broker community. Our commitment to helping our policyholders means that our producers rely on us for support and assistance in meeting and exceeding service expectations. GroupLink provides complete producer services, including education, training, promotion, marketing, and incentive programs.

By combining the skill and knowledge of staff members with the expertise of our producers, we can achieve the highest level of customer service and satisfaction. Our goal is 100% customer satisfaction.

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