



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™



Higher Education Practice

Private Exchange

Providing Employees Value and Choice

DAVE TORRI | OCTOBER 15, 2015

Agenda

- What is a Private Exchange Model?
- What does it mean for my employees?
- The shopping experience
- What it means to your College?
- Why Now?



What is a Private Exchange Anyway?!

- **Employer sponsored benefits in marketplace**
 - Medical
 - Ancillary
 - Voluntary
 - Other
- **Fully insured or self insured options**
- **Shopping experience**
 - Marketplace vendor identified
 - Sponsor selects carrier(s)
 - Budget determined
 - Sponsor selects plan options
 - Employees purchase products

What is a Private Exchange?

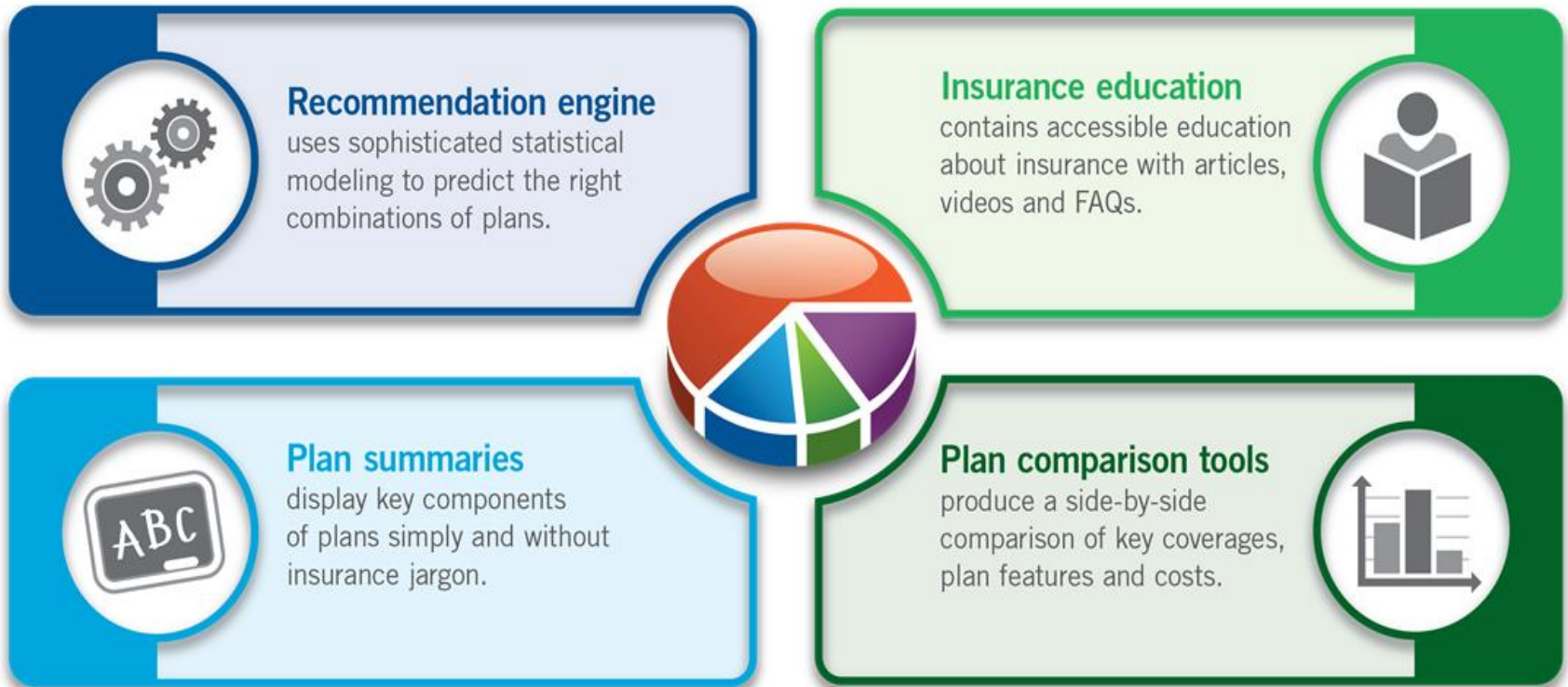
- **Employer sponsored marketplace**
 - All benefits options in one place
- **Decision making support**
- **Shopping experience**
 - Defined Contribution
 - Employee Engagement
 - Tailored Benefits
 - Employees purchase products

amazon.com[®]



What Does This Mean for my Employees?

Employees translate employee needs into a personalized benefits portfolio based on their needs, preferences and own risk tolerance.



Shop for the benefits that fit you

Shop for Benefits

- In “My Profile,” you’ll answer questions about your dependents, risk tolerance, finances and lifestyle. Your answers help Gallagher Marketplace create a personalized benefits portfolio – just for you.

HOME > INTRODUCTION > **PROFILE** > GUIDANCE > SHOP > BUY

[Info](#) Dependents Profile(s) Preferences Risk Finances Lifestyle Summary

Step 1 of 7

Basic Information

Your employer gave us this information. If you need to make changes to your phone number(s) and/or email address, please do so below. To update your address information, please contact your HR administrator.

To update your address information, please contact your HR administrator.

Address:
54 Main St.
Buffalo, New York 14203
United States of America

Profile – My Health

- Complete the Quick Health Profile for yourself and dependent(s) by clicking on the blue box for each individual.

Step 3 of 7

Health Profile(s)

Please answer the following questions about you and the dependents you may enroll in your benefits. Be sure to add all of your dependents here. Remember, you'll be able to choose who you want to cover and who you don't when you're shopping.

In the next year, do you or any of your dependents anticipate having expenses related to an expected or scheduled surgical procedure, including pregnancy (inpatient or outpatient)?

Yes No

* Check all that apply:

(Me)

Billy (Child)

Kelly (Child)

Chris (Spouse)

Profile – My Health

- You'll also be asked to answer additional, brief questions that will further tailor your recommended benefits portfolio.

How would you describe your health? (You might feel "good" about management of a serious condition, but you'd describe your health in general as poor.)

(Me)



In the next year, do you or any of your dependents anticipate having expenses related to dental care?

Yes No

* Check all that apply:

	Preventive dental cleanings	Significant dental care needs such as bridges, crowns, or dentures	Orthodontia treatment
(Me)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Billy (Child)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kelly (Child)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris (Spouse)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Billy (Child)



Kelly (Child)



Chris (Spouse)



Profile – Risk

- You'll also be asked to answer a few questions about your attitude towards risk

The screenshot shows a web interface for a profile completion step. At the top, there is a navigation bar with tabs: HOME, INTRODUCTION, PROFILE (highlighted), GUIDANCE, SHOP, and BUY. Below this is a sub-navigation bar with links: Info, Dependents, Profile(s), Preferences, Risk (underlined), Finances, Lifestyle, and Summary. The main content area is titled 'Step 5 of 7 Risk' and asks the user to answer questions about their attitude toward risk. There are three dropdown menus: 'How would your best friend describe you as a risk taker?' (selected: 'Willing to take risks after complet'), 'When you think of the word "risk," what comes to mind?' (selected: 'Opportunity'), and 'Do you lead a very active lifestyle or participate in activities that could lead to injury (e.g., drive a motorcycle, surf, or play football)?' (selected: 'Yes, I am moderately active'). At the bottom, there is a section titled 'Putting risk into perspective' and two buttons: 'Save & Continue' and 'Back'.

HOME > INTRODUCTION > **PROFILE** > GUIDANCE > SHOP > BUY

✓ Info ✓ Dependents ✓ Profile(s) ✓ Preferences Risk Finances Lifestyle Summary

Step 5 of 7
Risk
Answer the following questions about to tell us about your attitude toward risk.

How would your best friend describe you as a risk taker?
Willing to take risks after complet ▾

When you think of the word "risk," what comes to mind?
Opportunity ▾

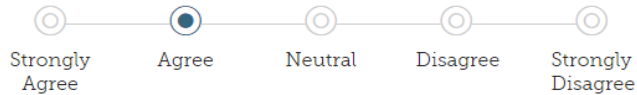
Do you lead a very active lifestyle or participate in activities that could lead to injury (e.g., drive a motorcycle, surf, or play football)?
Yes, I am moderately active ▾

Putting risk into perspective

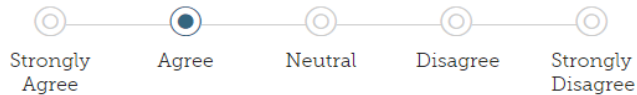
Save & Continue Back

Profile – Finances

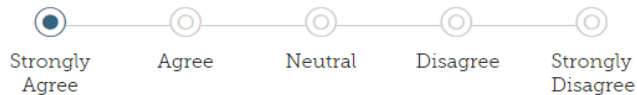
I believe it is important to preserve my income if I can't work because of a disability.



If I were to lose my income for a few months, things would be financially difficult.



If I were to lose my income for a year, things would be financially difficult.



Saving for retirement is an important financial goal for me currently.



? Insurance protects your financial lifestyle

- ▶ See how Life Insurance helped protect a family's assets (3-minutes)
- ▶ See how Disability Insurance helped protect Bill's income (3-minutes)

Save & Continue

Back

Profile – Lifestyle and Concerns

- Finally, you'll be asked to answer questions around your lifestyle, concerns and desires.

HOME > INTRODUCTION > PROFILE > GUIDANCE > SHOP > BUY

✓ Info ✓ Dependents ✓ Profile(s) ✓ Preferences ✓ Risk ✓ Finances Lifestyle Summary

Step 7 of 7

Lifestyle and Concerns

We want to know if there are plans and/or products that you may value or could save you money given your particular lifestyle, concerns, and desires. Please answer the following questions to help us identify them.

I am comfortable making decisions about my health.

Strongly Agree Agree Neutral Disagree Strongly Disagree


I think it is important to fully understand treatments and medication my doctor recommends.

Strongly Agree Agree Neutral Disagree Strongly Disagree


It is okay to ask medical professionals about the cost of their services.

Strongly Agree Agree Neutral Disagree Strongly Disagree

Profile - Summary

- Once your profile is complete, you'll review the factors on which your recommendations will be based. Click  to view your recommended benefits portfolio.



✓ Info ✓ Dependents ✓ Profile(s) ✓ Preferences ✓ Risk ✓ Finances ✓ Lifestyle  [Summary](#)

Steps Complete

Your Summary

Here's what we've learned about you. The system uses everything it knows about you to find you the right benefits for your needs.

If you don't agree with these results, you can [return to your profile and make changes](#).

4

You May Cover

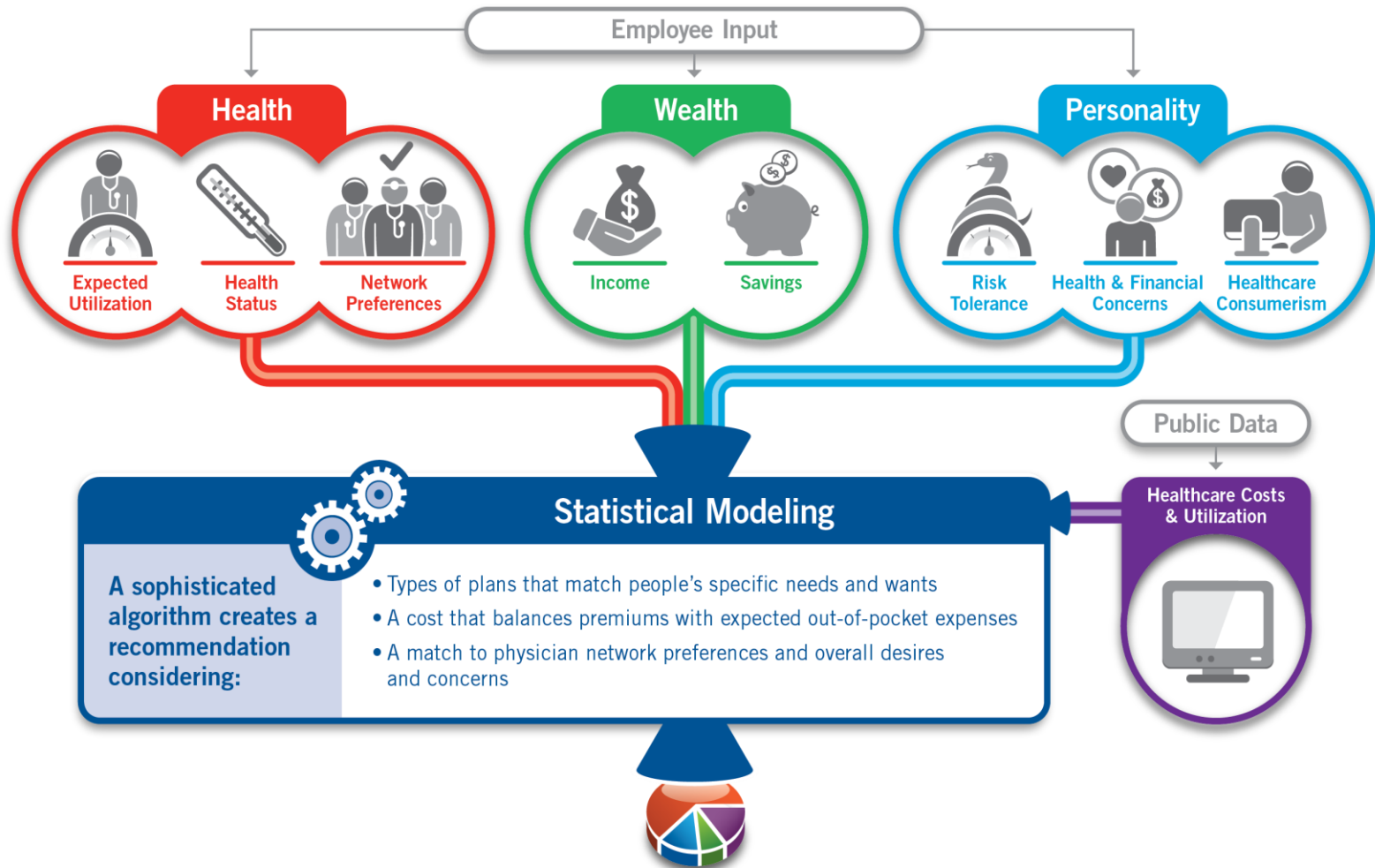
The number of people, including yourself and any dependents, the system will consider for your recommendation.

7

Risk Tolerance

A low risk score, such as a one or two, means that you tend to avoid risk. A high risk score, such as a seven or eight, suggests that we might find you bungee jumping.

Recommendation Engine



Coverage that's right for you

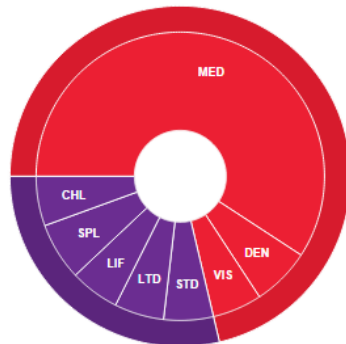
Shop for Benefits – Recommended Portfolio

- Keep in mind that our recommended benefits portfolio is calculated based on your responses, *but this is only a recommendation*. You'll select and enroll in the benefits you choose in the following step. Clicking any of the links under the **Plan/Program** or **Find Out Why** columns provides additional information for each benefit.

Recommendation

Based on your information, we've created a personalized benefits portfolio just for you. Use the **FIND OUT WHY** buttons to find out why we've recommended each plan.

Recommended Benefits Portfolio



Viewing figures as Weekly ▾

My Employer Contributes: \$132.08

Costs

Health: \$279.81

Protection: \$50.36



Total: \$330.17


I Pay: \$198.09

Add / Edit These Recommended Plans


Start with an Empty Cart

Shop for Benefits – Recommended Portfolio

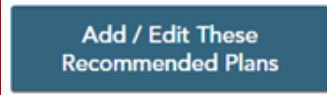
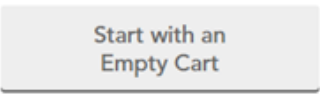
- At the bottom of your recommended benefits portfolio, select  to start with your recommended benefits or  to start with an empty cart.

 **Health**

Plan Name	View Plan Details	Pay Period Cost (pre-tax)	Employee + Family
Medical Insurance	AH HMO 6-12 - Atlas Health	\$250.57	
Dental Insurance	High Plan - Dental Smart	\$22.64	
Vision Insurance	Vision Plan 1 - Atlas Health	\$6.60	
Health Coaching	Waive		

 **Protection**

Plan Name	View Plan Details	Pay Period Cost (post-tax)	Benefit
Short Term Disability	Short-Term Disability - Beacon Inc	\$9.10	\$600.00 Benefit Per Week
Long Term Disability	Long-Term Disability - Beacon Inc	\$9.40	60 % of Salary (\$3,037.00 Per Month)
Employee Life Insurance	Employee Life Insurance - Beacon Inc	\$9.24	\$300,000.00 Benefit
Spouse Life Insurance	Spouse Life Insurance - Beacon Inc	\$22.30	\$50,000.00 Benefit

So What?!



- **80% of people choose a health plan that is NOT the plan they had the year before.**
 - 90% of the different plans chosen are less expensive. (80/20 adage)
 - 65% of employees choose a HDHP (high deductible health plan).
 - 88% of people who choose a HDHP plan fund the plan with an HSA
- **When available, narrow-network HMO/PPO plans attract 30%-50% of people**
ONE YEAR LATER...
- **90% are NOT planning to make any plan changes in next 2 years.**
- **Satisfaction increased.**
- **People take control of their insurance choice and their healthcare spend.**

What it all means

- **College**
 - **Predictable benefit budgets**
 - **Strategic advice and support**
 - **Administrative ease**
- **Employees (consumers)**
 - **Meaningful choice**
 - **Decision support**
 - **Risk Management**
 - **Advocacy**

Why Now?

Changing Benefits Environment

- **Healthcare Reform**
- **Healthcare trends**
- **Budget and pension restraints**
- **Board pressures**
- **Competition and choice**
- **Employee Engagement**



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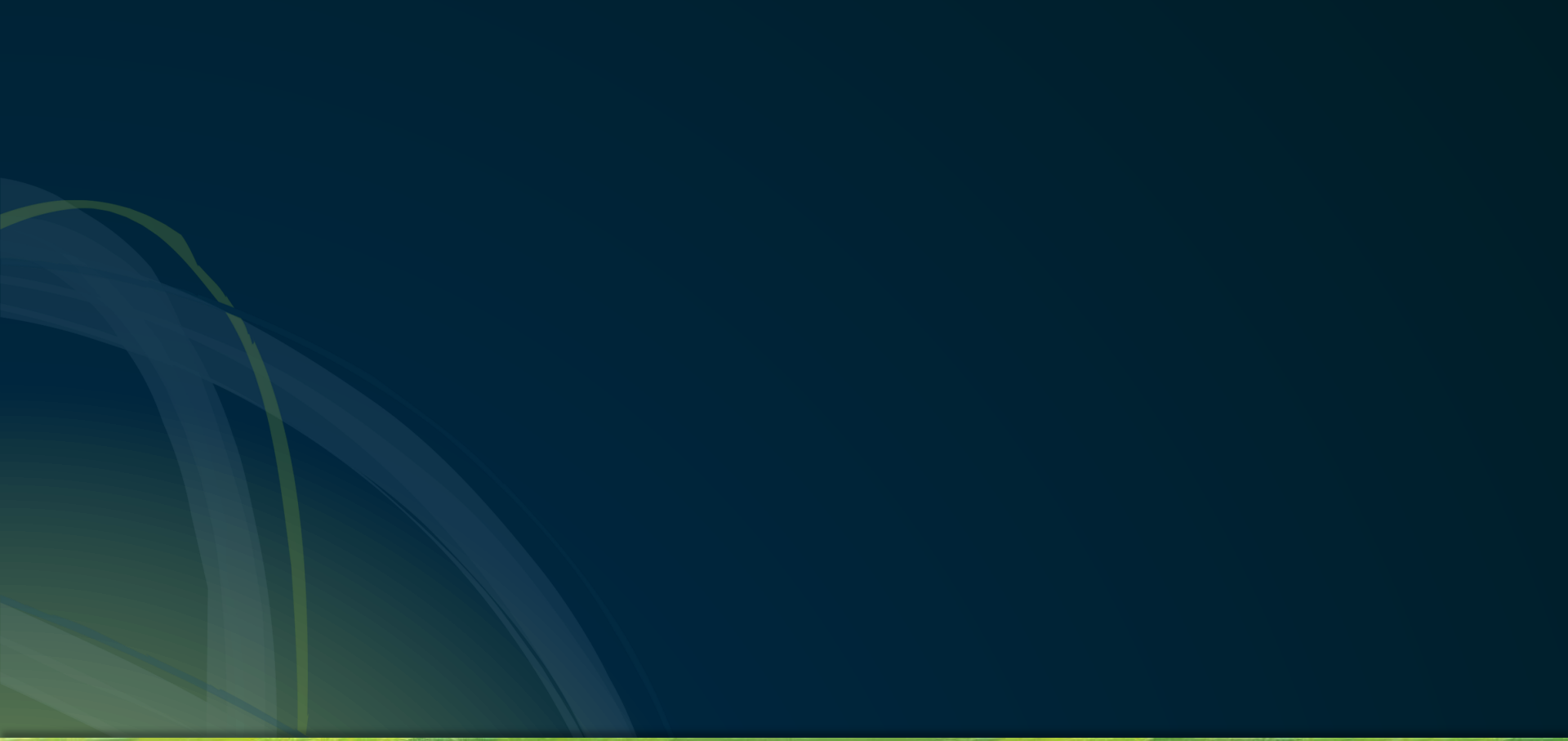
Thank You

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