

NJ CAR 2020 Health Insurance Survey Results

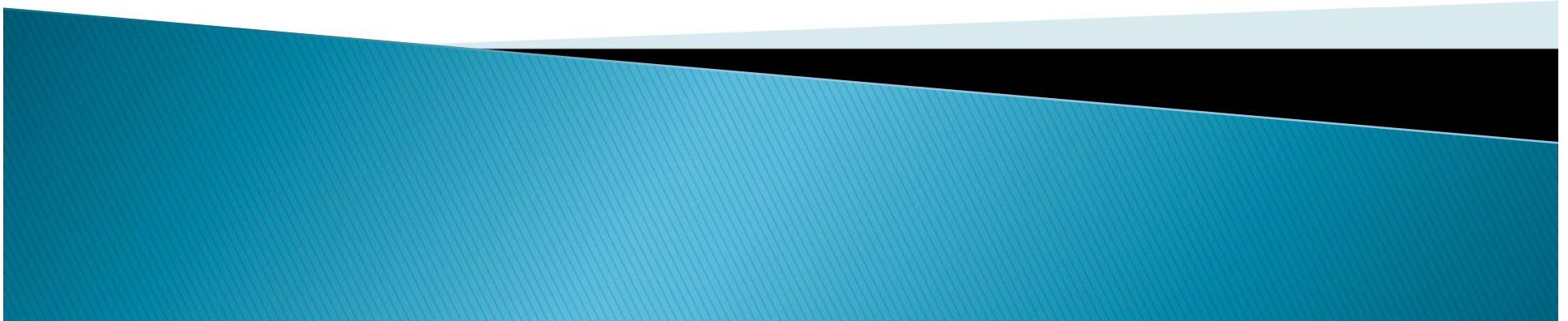
Data collected and prepared by:

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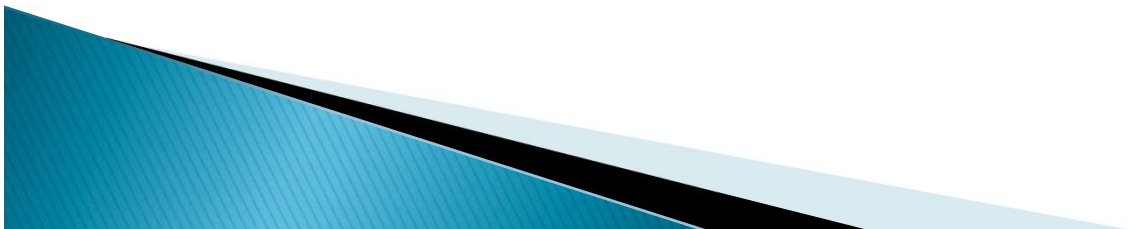
Bruce Mazzealli – HUB International/Fotek

Louis Young – WithumSmith + Brown



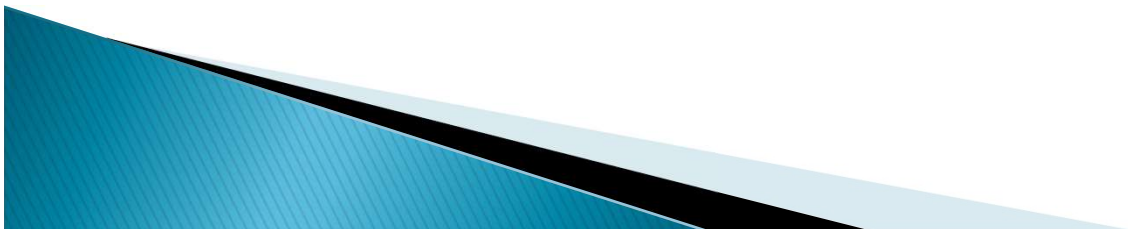
Webinar Agenda

- ▶ Introduction
- ▶ 2021 Benefits Survey Review
- ▶ A Balanced Benefits Portfolio
- ▶ The Role of Technology
- ▶ Who is an Ideal Fit for Self-Insurance
- ▶ Long Term Control – Wellness Program Impact on Costs
- ▶ Q and A
- ▶ Closing Remarks

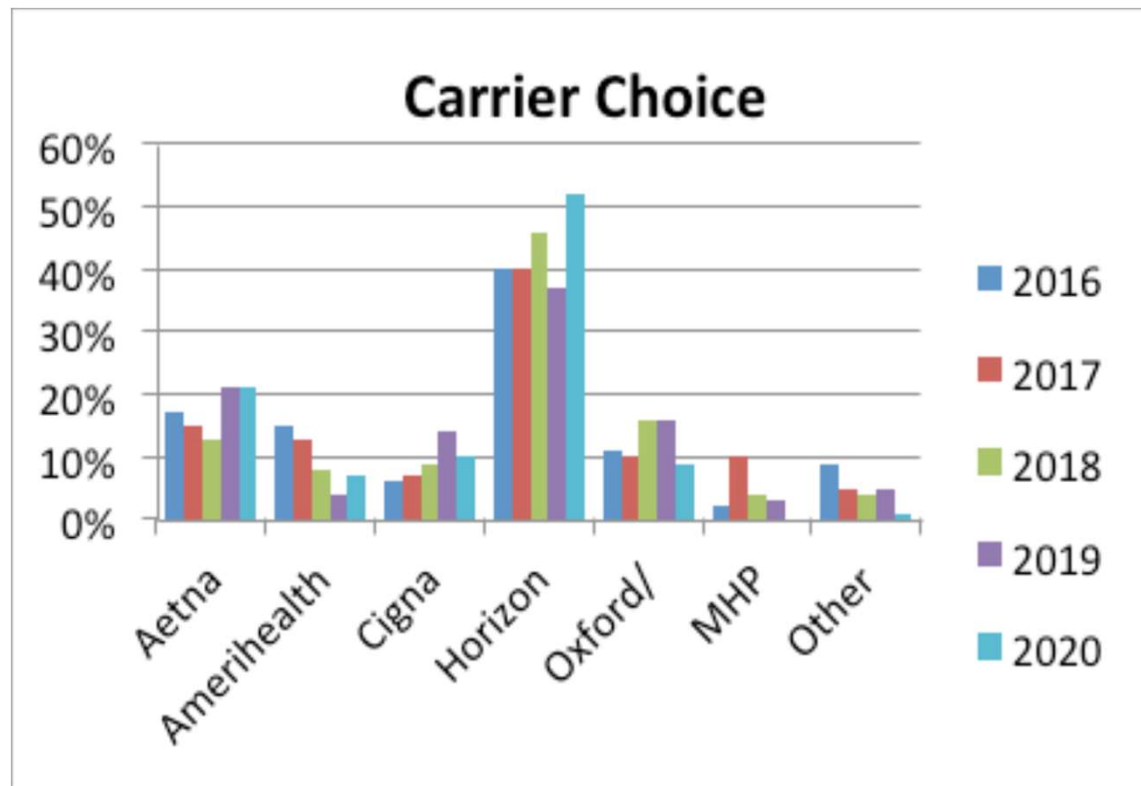


Background

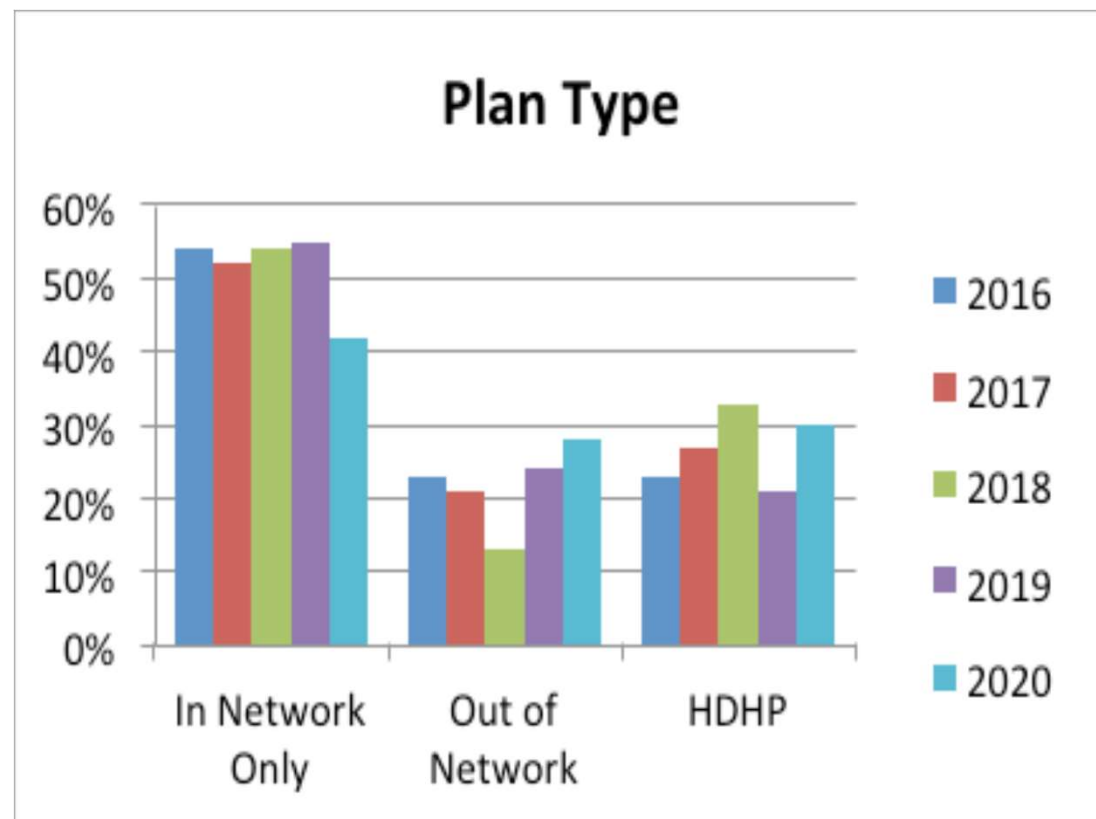
- 2020 results represent the 7th Annual NJ CAR benefits survey.
- Dealer survey participation was down slightly, allowing us to continue sharing meaningful trends over time.
- We did see a shift towards more small dealerships responding, as well as an increase in participation by Northern New Jersey dealers.



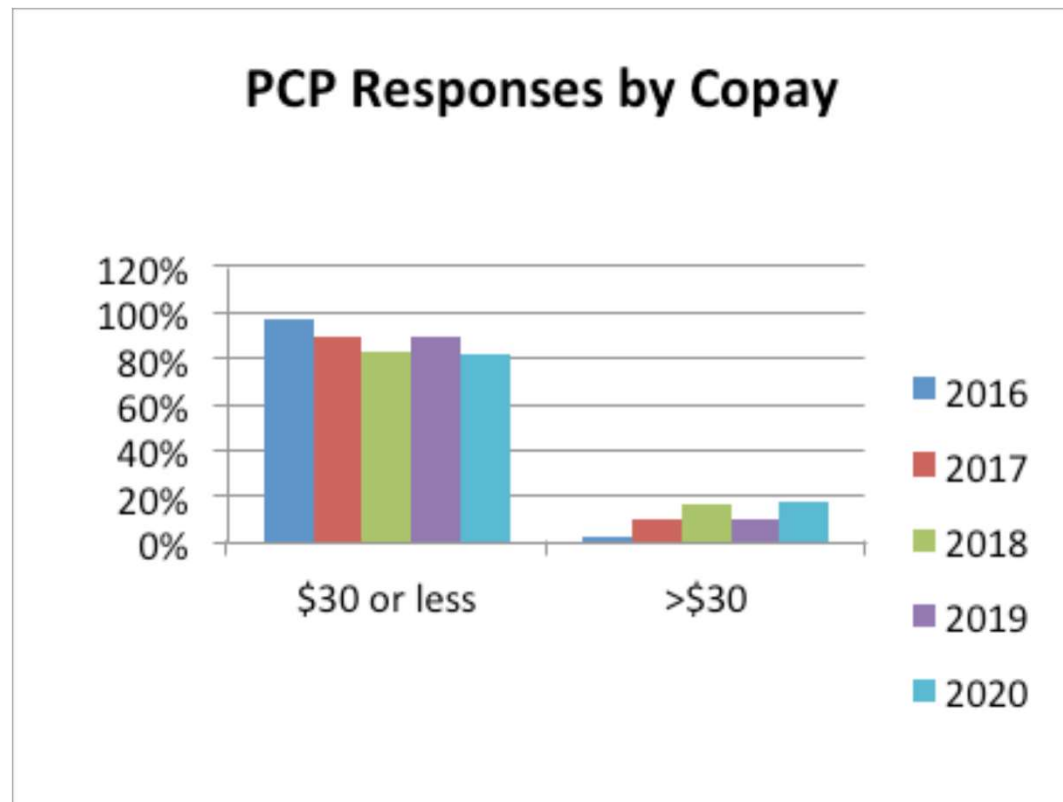
Market Share Summary



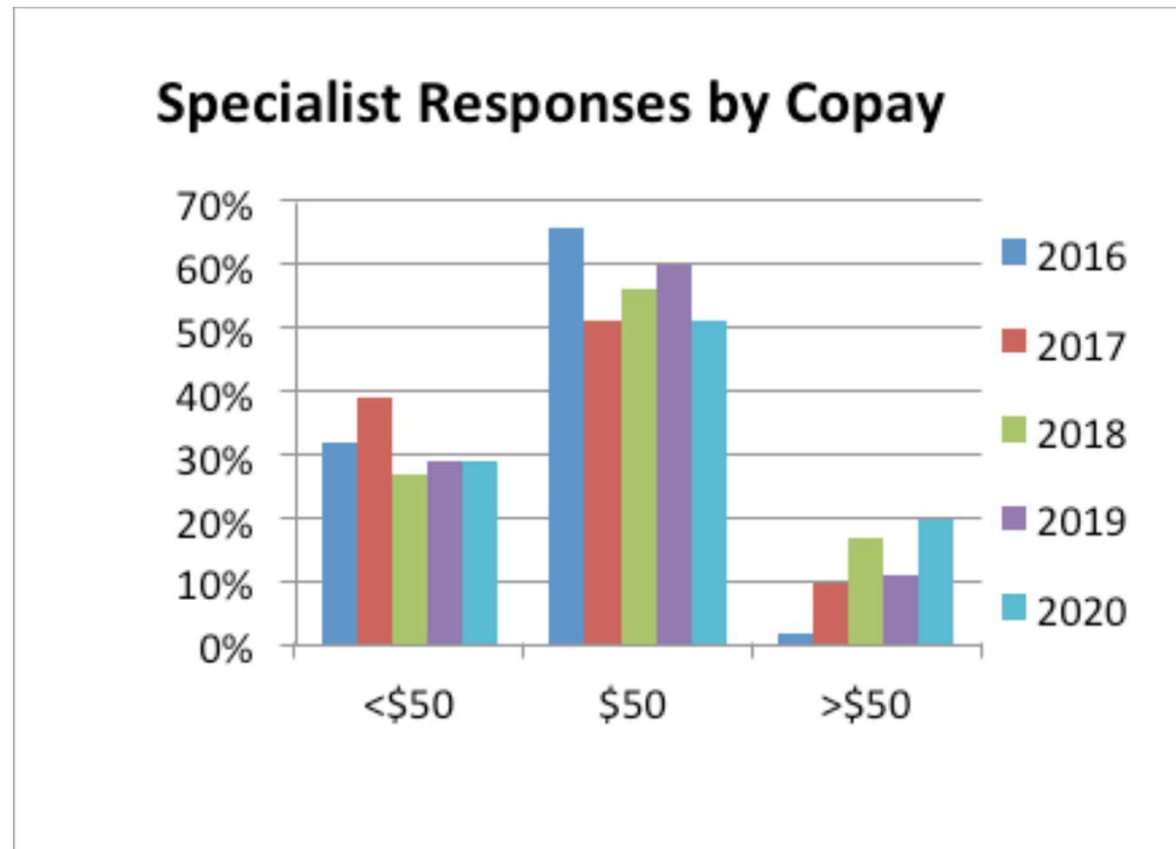
Plan Designs Utilized



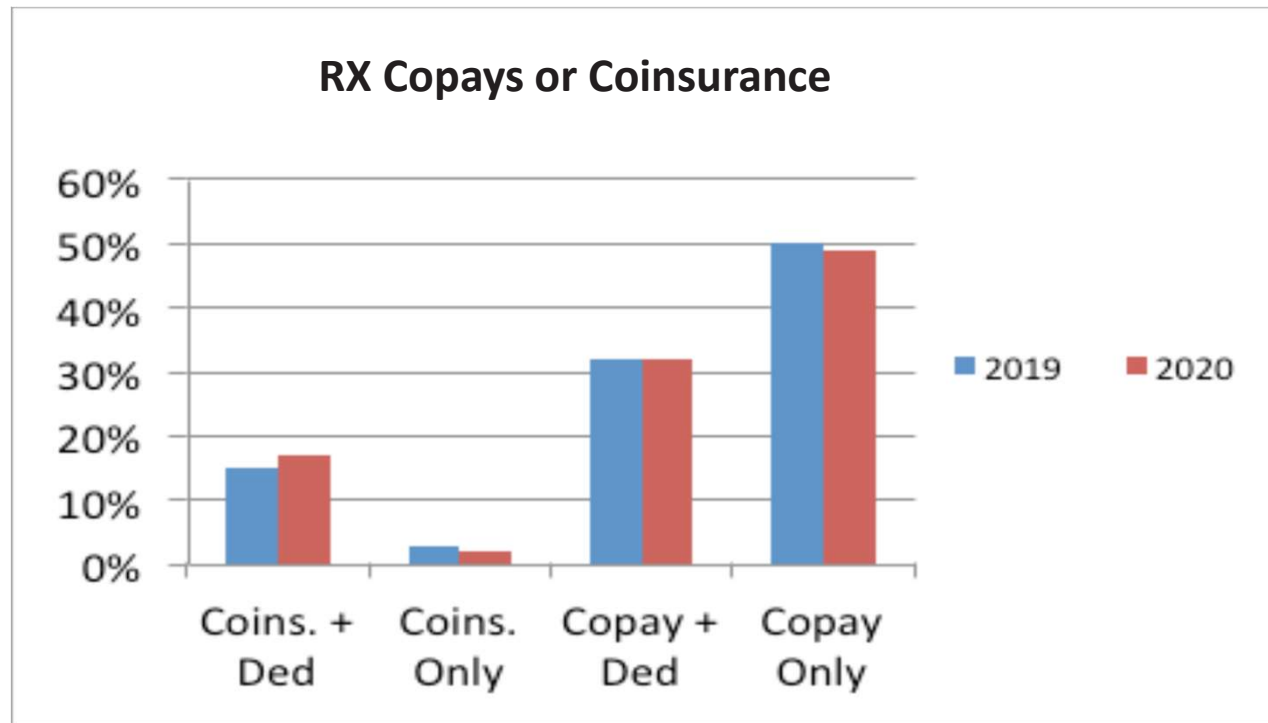
PCP Copay



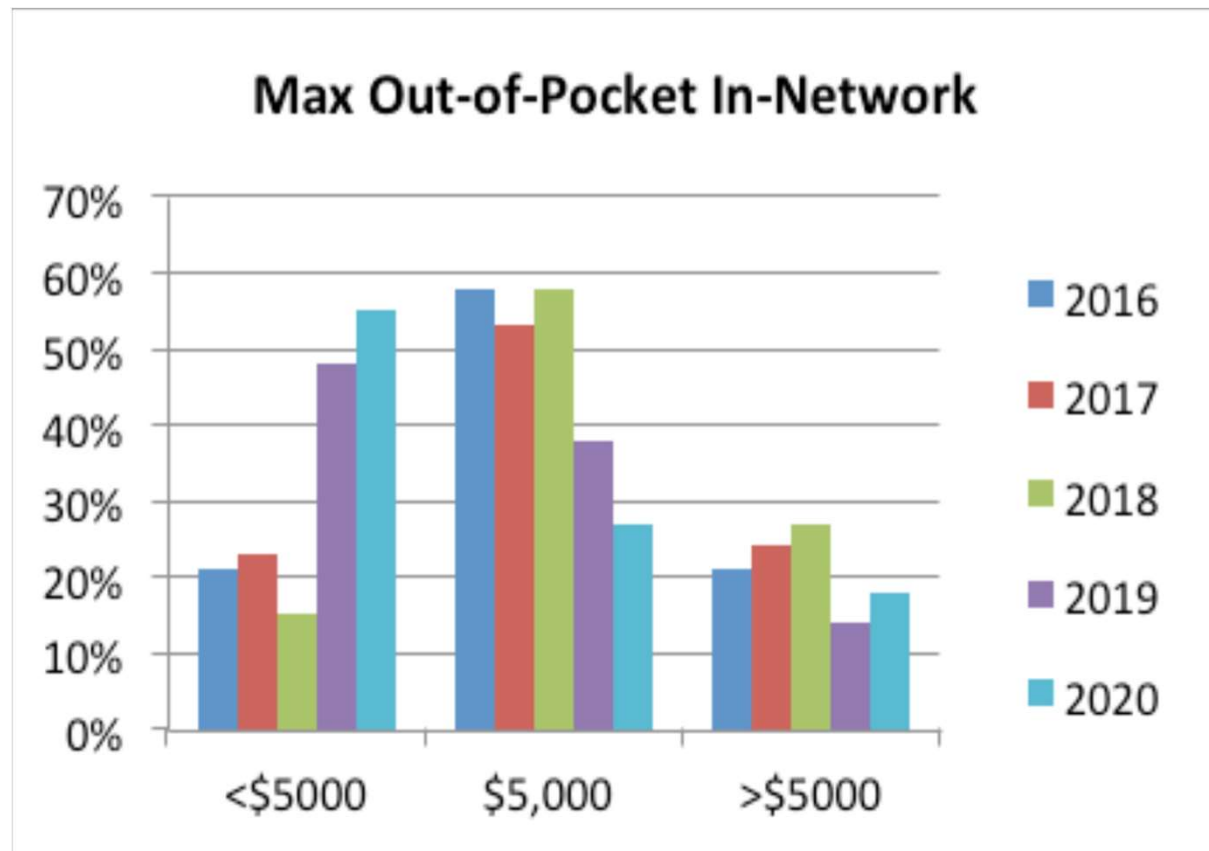
Specialist Copays



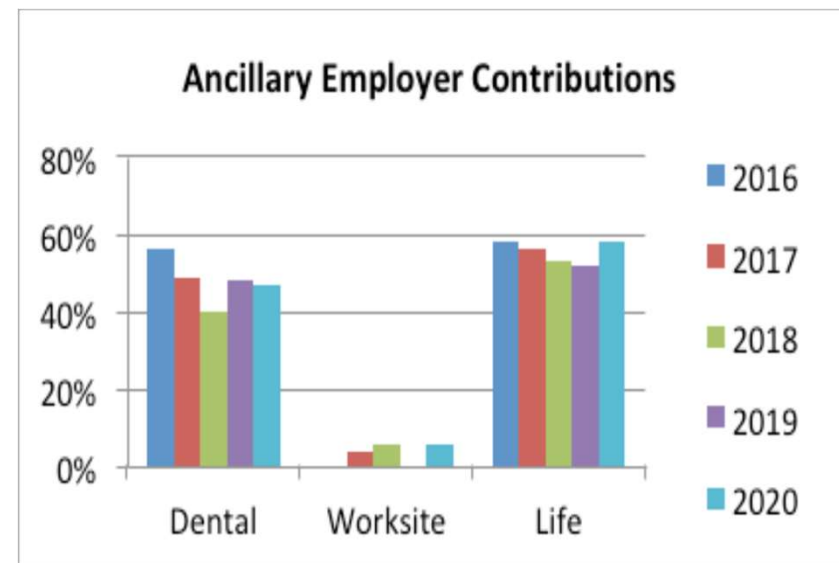
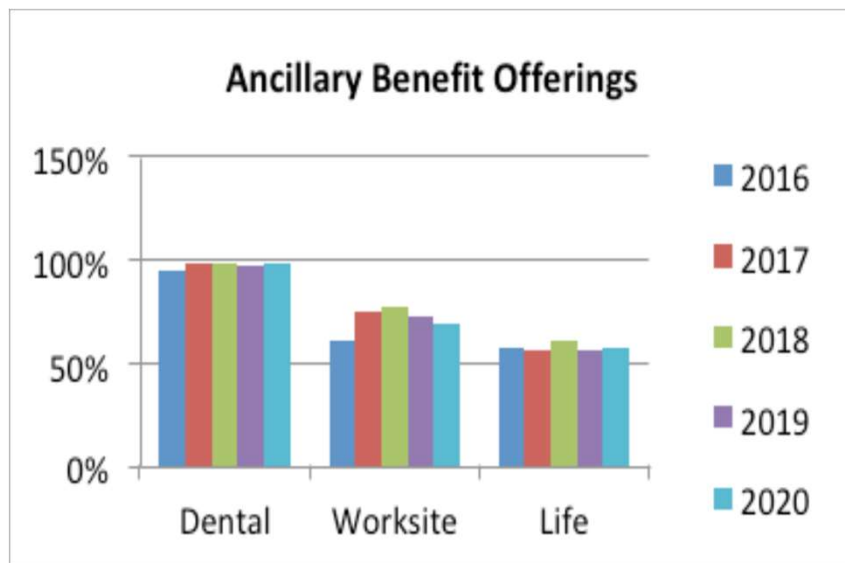
Prescription CoPay



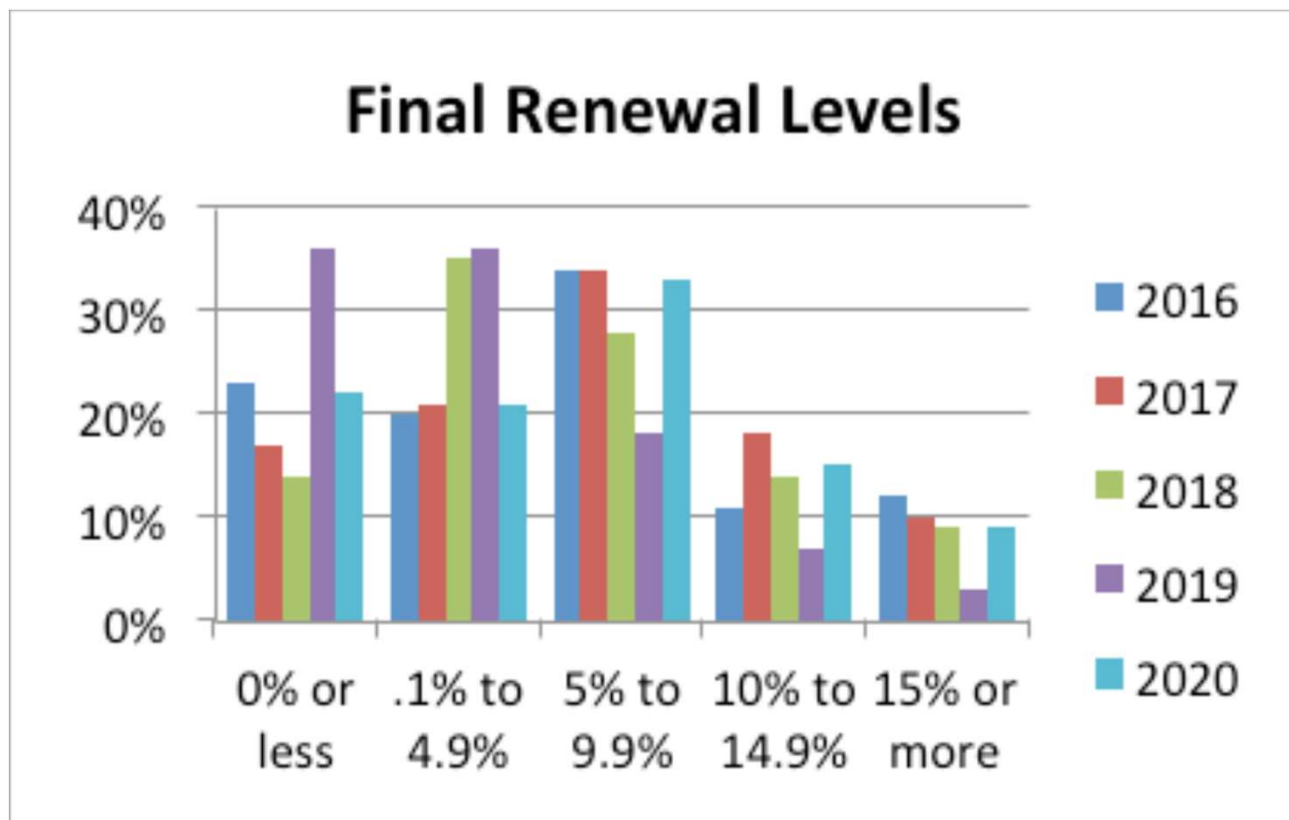
Max Out-of-Pocket in Network



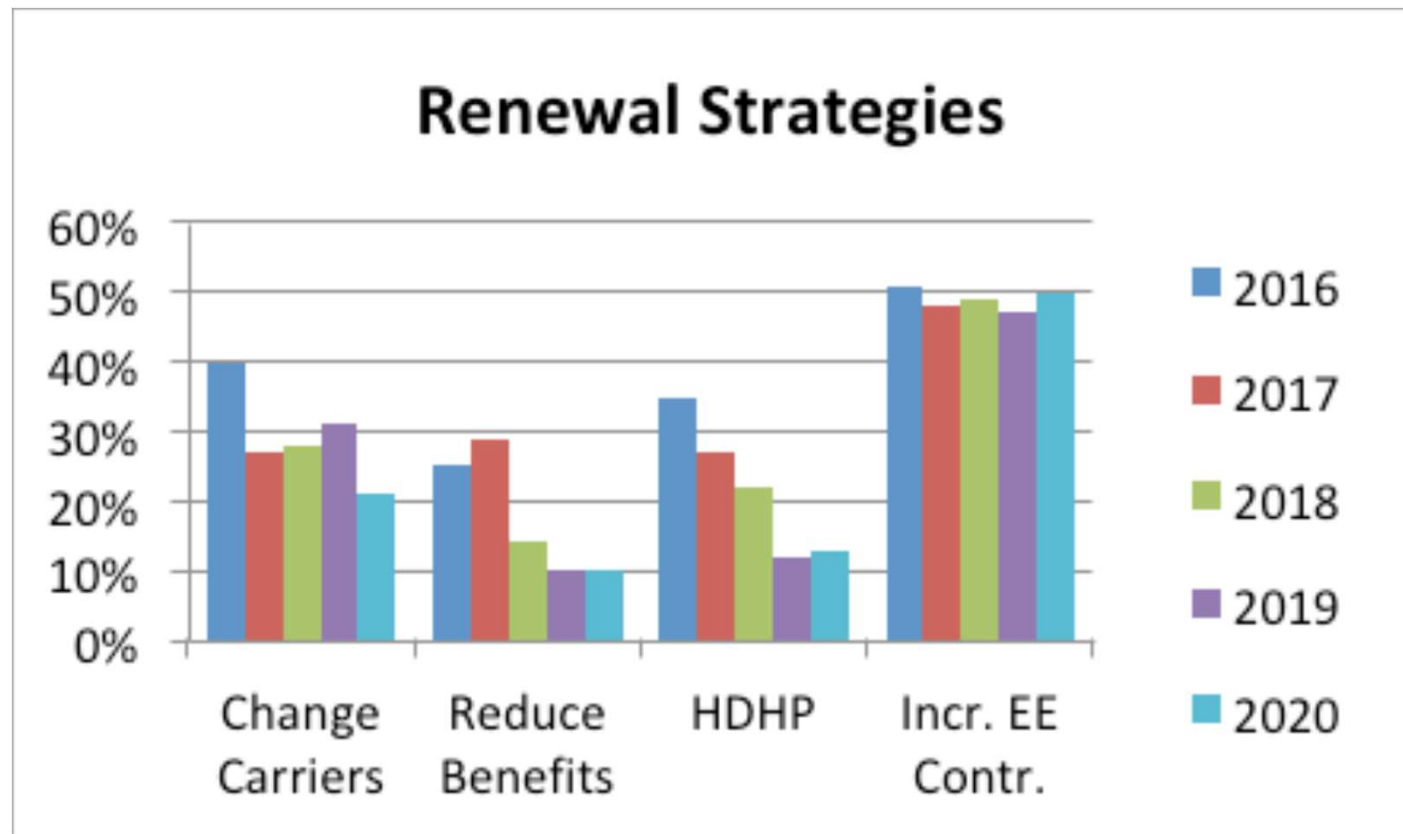
Ancillary Benefit Offerings



Final Renewal Increases After Changes

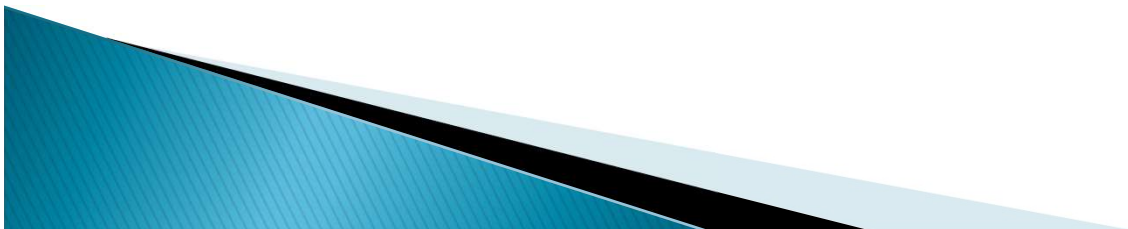


Strategies Used to Control Increases

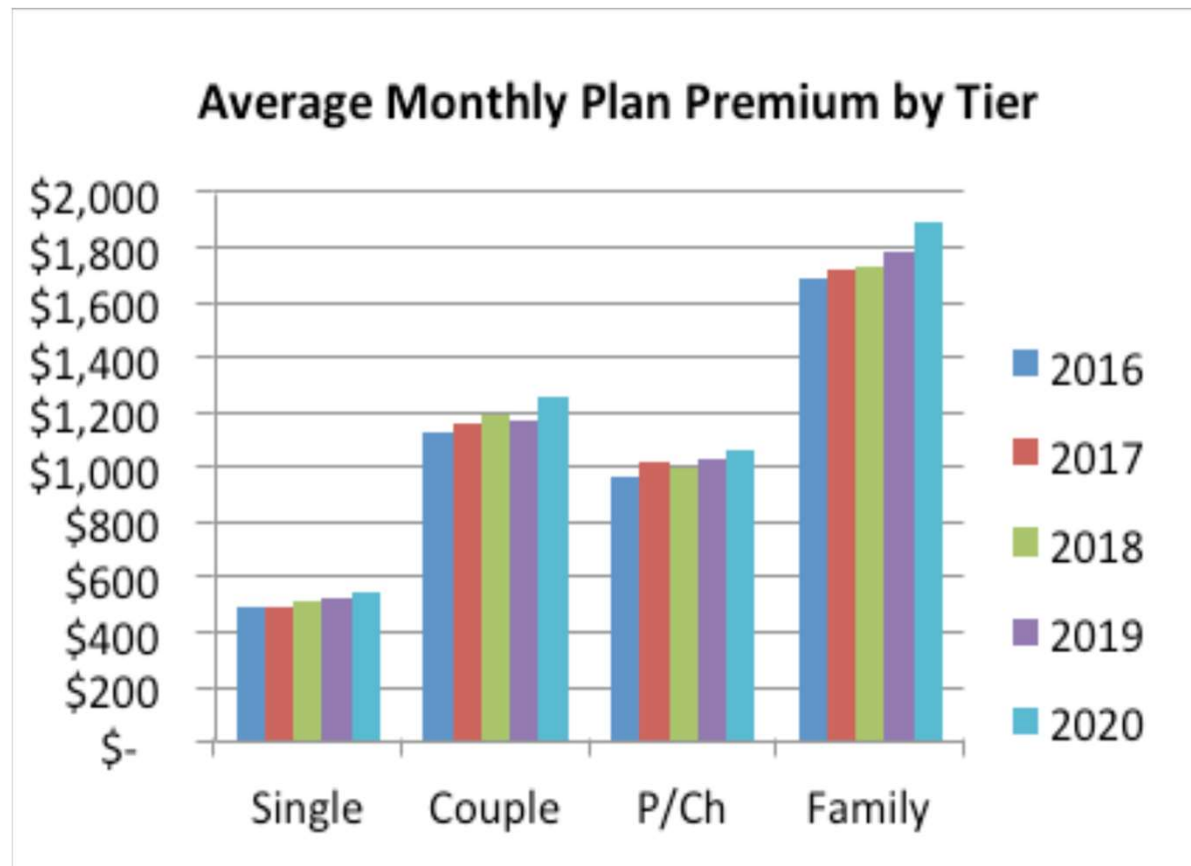


Premiums and Contributions

- Key concerns facing most dealer principals and managers include:
 - The competitiveness of plan designs being offered
 - The competitiveness of employee contributions
 - The employer's expense in offering an enviable benefits package.

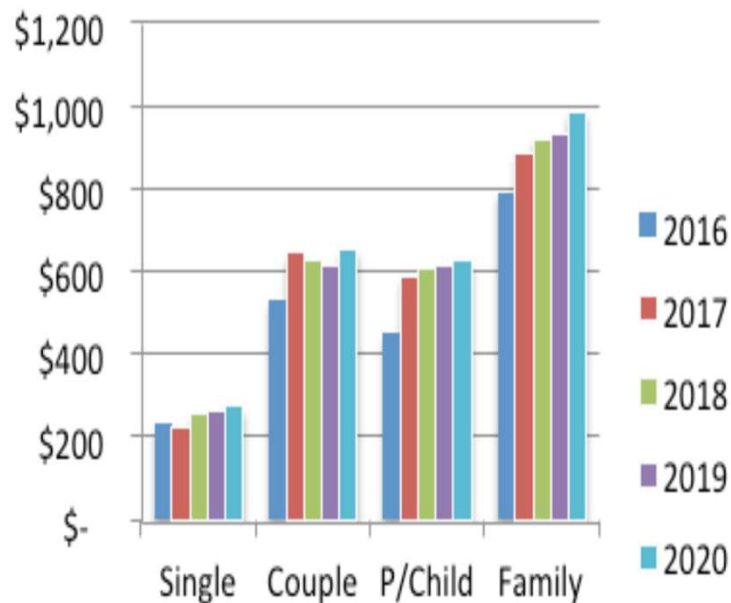


Average Plan Premium

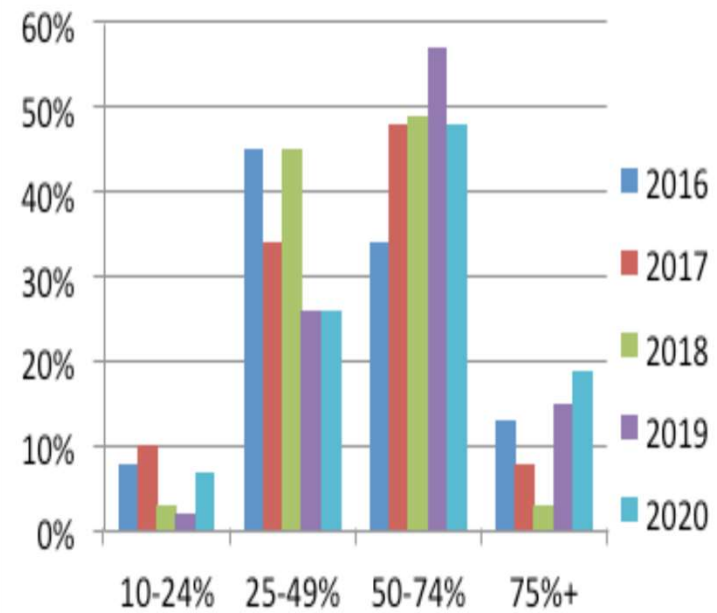


Employer Contributions

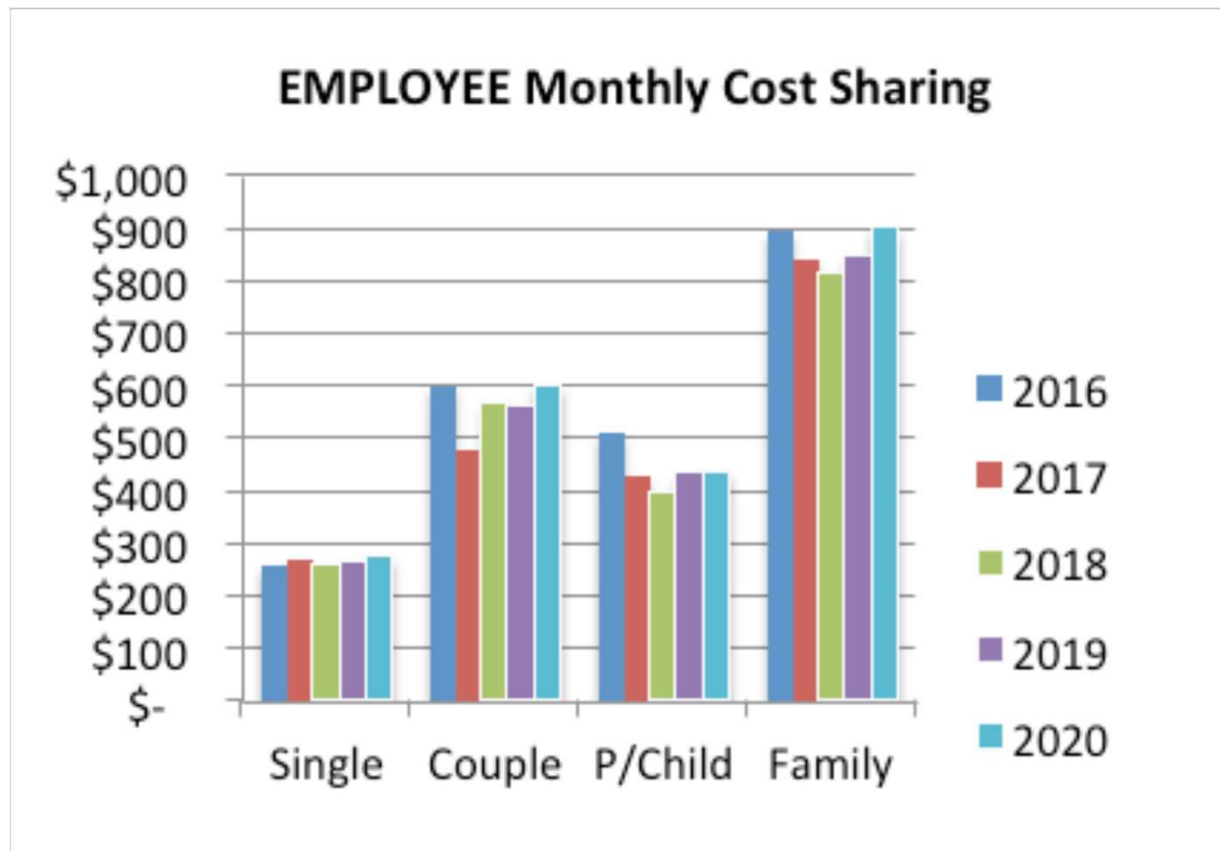
EMPLOYER Monthly Cost Sharing



Employer Contribution Response by Range

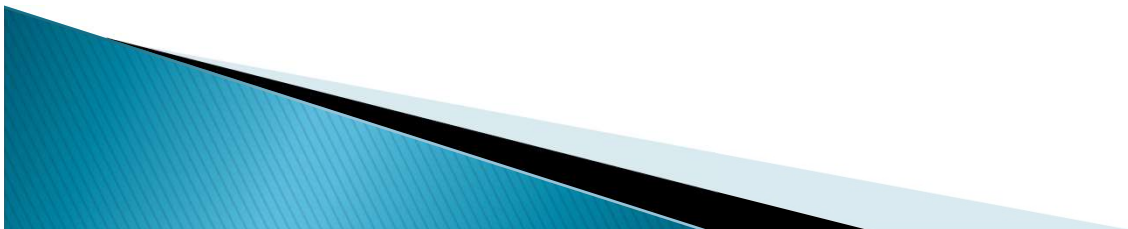


Employee Annual Contributions



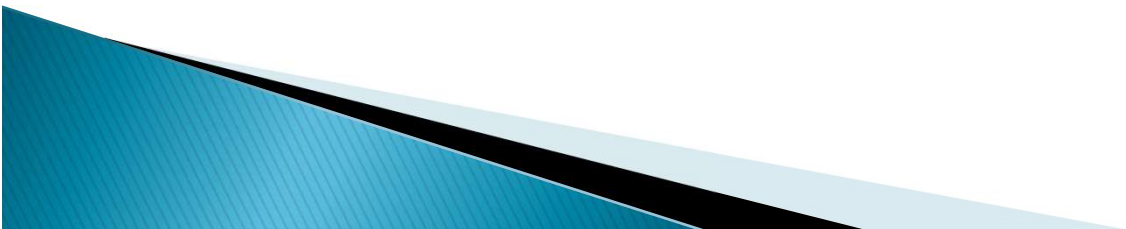
Marketplace Comparison

- Premiums for employer-sponsored health coverage nationwide rose by about 4% in 2020, according to a survey by Kaiser Family Foundation (KFF).
- The annual change in premiums is similar to the year-to-year rise in workers' earnings (3.4%) and inflation (2.1%).
- However, over time, what employers and workers pay toward premiums continues to rise more quickly than wages and inflation. Since 2010, average family premiums have increased 55%, at least twice as fast as wages (27%) and nearly three times more than inflation (19%).



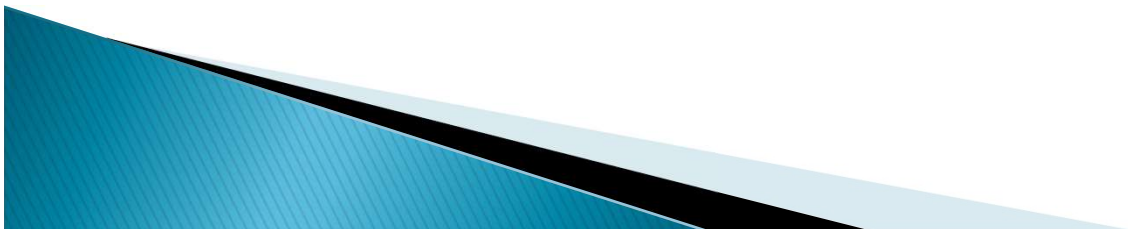
Summary

- For 2020, we saw employer contributions, as a percentage of premium, remain steady at 52%.
- Employers generally split the cost of higher premiums with employees.
- Each paid approximately 6% more for coverage in 2020.



Summary

- We saw the strategy of increasing employee cost sharing at its lowest level since 2016. As a result, employer costs and employee costs have been reasonably stable.
- Key decision points are the competitiveness of the coverage being offered and the affordability for both the employer and employees.
- Plan designs saw minimal changes in 2020.



Summary

- We continue to see the popularity of High Deductible Health Plan options and self-insurance, copays. However, Rx coverage, and maximum out-of-pocket expenses have remained relatively constant over the past few years.
- In these uncertain times, it is difficult to forecast 2021 renewal levels, but it is unlikely to improve based on early indications.



Employee Benefits and Health Insurance Trends: Hot Topics

Ward Bauman – Corporate Synergies
Bruce Mazzarelli – HUB International/Fotek
Louis Young – WithumSmith + Brown



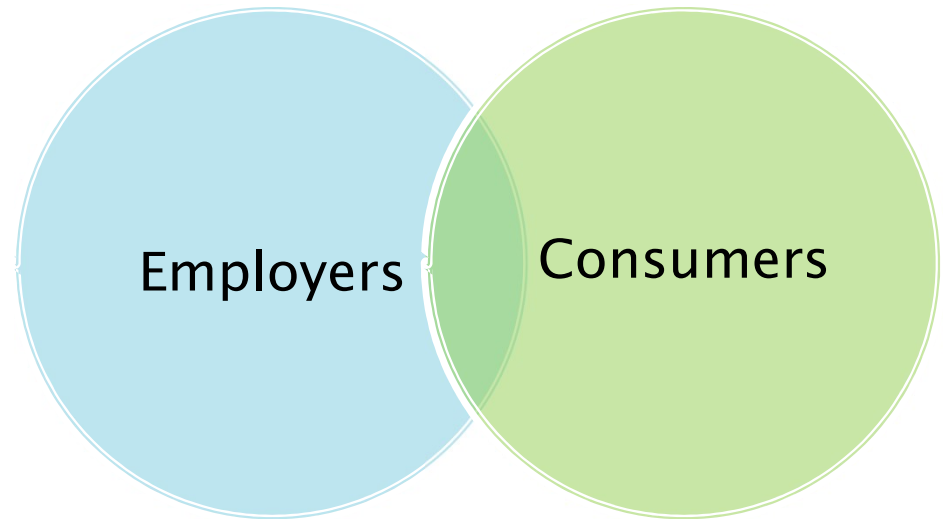
A Balanced Benefits Portfolio

- It starts with understanding the needs of one's employees
 - Persona Analysis – a detailed study of your workforce
- Beyond Medical, Dental, Life...
 - Supplemental and Family Life, Disability, Worksite Benefits such as Accident and Critical illness, Pet Insurance
- Financial Products
 - HSA, FSA, College Loan Refinance, Loan Assistance vs. 401k contributions
- Why Expand Offerings?
 - To meet the needs of diverse individuals
 - Group pricing, employee paid, limited admin



The Role of Technology

- Employer
 - Data Analytics
 - Benefits Administration
 - Communication Strategies
- Consumer
 - Wearable Devices
 - Telemedicine
 - Mobile Apps



An Ideal Fit for Self Insurance

- Why Self Insurance?
 - Control, long terms Savings, flexibility, Access to data
- Group Size?
 - Level Funded – 25+, or as a transition to ASO
 - ASO – 100+, perhaps less in a captive
 - Carrier vs. Third Party Administrator
- Who is a fit?
 - Willing to take on risk
 - Typical risk corridor is +25%
 - Accepting of budget fluctuations
 - Desire to see actionable data
 - Need greater plan flexibility



Wellness Programs:

➤ Crawl

- Wellness/Healthcare Newsletters
- Carrier Wellness and Rewards Programs
- Encourage and Incentivize Annual Wellness Programs



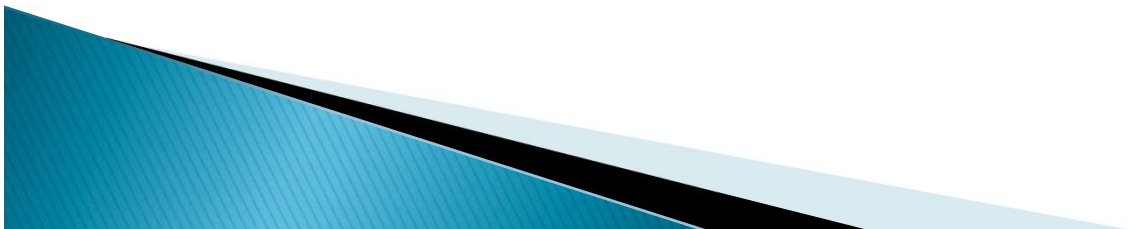
➤ Walk

- Implement Programs: Smoking Cessation, Weight Loss, Stress Reduction
- Incentivize Wellness Activities
- Conduct Health Risk Assessments
- Wellness Coaches: Dietitians, nutritionists, stress management



Wellness Programs:

- What Does it Mean to Run?
 - Outsourced Vendors/Systems: Tracking, reporting, challenges
 - Full Biometrics
- What is the Impact?
 - Employer
 - Employees
- ROI



Hot Topics



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