

GRAHAM ADVISOR

COMMENTS FROM THE CEO

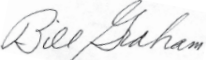
With the majority of healthcare reform mandates taking effect in 2014, I hear from many business leaders who are delaying the development of an employee benefits strategy until then. The problem with this approach is that it will catch up with you as it drops increasingly more costs on your employees. And when it comes to protecting your most valued asset, we believe a strategy that balances the welfare and security of employees with the security of your bottom line is too important to wait until “next renewal.”

Contrary to leaders who are “waiting to change,” I speak with many of our employee benefits clients that have become “agents of change.” Rather than sit idle this renewal, they see the looming mandates on the horizon, and we’ve helped them recognize that this “quiet” period in the healthcare reform timeline grants us the opportunity to develop a benefits strategy that is nimble enough to meet employees’ needs today and adjust with healthcare reform tomorrow.

In this issue, we’re proving there are in fact alternative ways to innovate your benefits program this renewal. We’re even sharing a success story, which we hope will empower you to assess your health benefits strategy today.

We’d love to hear from you; please send an email to feedback@grahamco.com

Best Regards,



WILLIAM A. GRAHAM, IV
CPCU, CLU, CEO



Photo provided by Moyer Indoor Outdoor

Moyer Indoor | Outdoor® – which offers a wide array of services including lawn & garden, plumbing, HVAC and pest control – was able to pass savings along to its employees through lower premiums after The Graham Company advised a change to a consumer-directed plan.

EMPLOYEE BENEFITS YOUR ROADMAP FOR SEAMLESS RENEWAL CYCLES

Protecting wellness – physical and financial health – is paramount when approaching and completing the employee benefits renewal cycle. No one understands this more than William Labold, controller with Souderton, Pa.-based Moyer Indoor | Outdoor®, a family-owned company that offers full residential and commercial services, from plumbing and heating to tree and turf care, with additional interests in fuel oil delivery and animal feed sales. When he met The Graham Company in June 2010, Labold realized he could align his employee benefit goals with his business goals. Earlier that month, Moyer had entered a relationship with a Health Benefits Trust that soon thereafter indicated it would cease operations. Though the Trust intended to service clients for several more months, the situation rapidly deteriorated, leaving Moyer concerned about having health benefits for its valued employees.

“At the time, I was receiving The Graham Company’s newsletter, so I was aware of the organization’s involvement in employee benefits,”

said Labold. “We were desperately in need of administrative and strategic assistance, and The Graham Company’s risk management approach to our benefits program gave us the confidence we would emerge from this very difficult situation in a favorable position.” Labold contacted The Graham Company to help Moyer resolve this difficult situation.

TIME TO TRANSFORM

As Labold and his colleagues learned, The Graham Company differentiates itself by developing strategies to control costs today and in the future. The Graham Company developed a strategic roadmap that would keep Moyer focused on achieving short-term goals while moving forward and capitalizing on a positive financial position for the long term. Through a detailed discovery process (analyzing current benefits packages, claims data and employee demographics), The Graham Company utilized its findings to develop a long-term strategy, while resolving the immediate crisis facing Moyer.

CONTINUED ON INSIDE

ASK THE EXPERT



Jim Miller On Healthcare Reform Updates

Q. Has there been any update on non-discrimination testing requirements for highly compensated employees?

A. The non-discrimination requirements have not yet been finalized. The provision was scheduled to take effect on or after September 23, 2010, but was delayed until after regulations and other guidelines have been issued. We are expecting a ruling in the latter part of 2011.

Currently, a fully insured group health plan could provide non-taxable benefits to executives and other highly compensated individuals even if the plan discriminated in favor of those individuals. Essentially, this provision requires a plan providing healthcare coverage on a fully insured basis to comply with the same nondiscrimination standards currently applicable to self-insured plans.

If you think your plan may be considered non-compliant, encourage your employer to contact its Benefits Consultant or Benefit Attorney for the proper guidance. Also note that if an insured plan maintained its "grandfathered plan status," it is exempt from this provision.

Q. What changes are employers required to make to their Plan Documents and Summary Plan Description (SPD) for 2012?

A. The Uniform Summary of Benefits provision was scheduled to take effect January 1, 2012. On August 17, 2011, the Department of Health and Human Services (HHS) released a Notice of Proposed Rulemaking for Uniform Benefit Summaries under the Patient Protection and Affordable Care Act (PPACA). The rules provide standards to be followed by group health plans and health insurance carriers when creating a summary of benefits and coverage (SBC). The rules now take effect for enrollments on or after March 23, 2012.

Q. What must employers do once the standards are effective?

A. If an employer has a fully insured group health plan, the insurer should develop and distribute the compliant SBC documentation for enrollments on or after March 23, 2012. Employers should confirm with their insurance carrier whether it is delivering the compliant SBC document directly to participants or only to the employer.

Sponsors of self-funded group health plans should consult with their benefits broker and plan administrators to develop compliant SBC documentation.

To ask more specific questions about healthcare reform, please contact Jim Miller, Employee Benefits Consultant at The Graham Company, at jmiller@grahamco.com or 215.701.5296.

GRAHAM SIGHTINGS

Experts in the News

Tim Folk & Joe Dorr on compliance vs. risk management
Healthcare Risk Management: July Issue



Peter Prinsen & Sean Brogan on the recent changes to ACORD 25 – Certificate of Liability Insurance
GBCA: Summer Issue



Jim Miller on healthcare reform's impact on retiree benefits
HR Magazine: July Issue



Graham Gives Back

Since April, The Graham Company's employees have raised \$3,408 in charitable donations for such organizations as:

- Patches the Bear
- Philadelphia Animal Welfare Society (PAWS)
- Moyer Foundation's Camp Erin

In total, employees have raised over \$7,000 in 2011.

Movers and Shakers

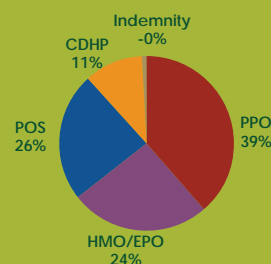


The Graham Company presented its 9th annual Excellence in Service and Partnership award this Spring to Liberty Mutual Group's Commercial Markets' claims department in recognition of its performance in 2010. George Neale, Executive Vice President of Commercial Market Claims at Liberty Mutual Group, accepted the award, saying, "We are honored to receive this award, as it underscores what we believe to be many of our core values and strengths. Receiving an award from your broker partner who is on the front line with you brings a different depth to the award."

BENEFITS BRIEF

A Better Benefits Strategy Starts with Benchmarking

As you are preparing for your renewal and considering options for the upcoming plan year, have you considered exploring your responses to the following questions?



The Graham Company is sponsoring the 2011 PEBA survey. Above, 2010 survey results benchmark medical plan prevalence.

How do my employee benefits compare to other employers in the region? Are my wellness and disease management plans on par with what my peers are offering? What is the prevalence of high-deductible health plans in my area? What cost control strategies are other employers leveraging?

These are all critical questions that will yield the answers necessary to make strategic decisions that are best for your employees and your business. We recognize the significant value of relevant benchmarking data, that's why our strategy begins with an Employee Benefit Assessment, bringing this relevant data into the decision-making process. Such data will play an important role in ensuring that an employer's health benefit plans are in line with Patient Protection and Affordable Care Act mandates.

To learn more about our Employee Benefit Assessment process, please contact Craig Harper, Employee Benefits Consultant, at charper@grahamco.com or 215.701.5309.

Adopting a proactive attitude can help ensure you make the best decisions for your staff and organization.

“Joe McGinty and Craig Harper from The Graham Company responded within days, and six weeks after initial outreach, we were up and running with a different plan – a process that usually takes 90 days, and we did it in fewer than 60,” said Labold. “The Graham Company also recommended we switch to a Health Reimbursement Account, or HRA. Through this high-deductible plan, we’re assuming more of the risk – but in return, benefit from lower premiums.”

Following counsel from The Graham Company, Moyer instituted the HRA, positioning it as a solid foundation for future savings and a lynchpin for a new consumerism approach.

NAVIGATE RENEWAL SEASON

Adopting a proactive attitude can help ensure you make the best decisions for your staff and organization. Start by outlining your expectations, then, build a plan to meet them. The following recommendations from The Graham Company can equip you to make the most of renewal season:

1. Move to Consumer-Directed Healthcare

The Graham Company advises changing to a consumer-directed plan, which affords employees greater control over their personal health budgets. Consider the following: Do you have too many or too few plan options? Are they adding value? Perhaps you should reassess your provider choice.

2. Assess Other Options

Is an alternative funding solution right for your organization? Evaluate the merits and feasibility of strategies like captives, self-funding or minimum premium.

3. Live Well

Develop an effective strategy to improve healthy habits among employees. “With guidance from The Graham Company, we launched a successful wellness program. In the past year, we’ve hosted a spring health fair and initiated an employee walking program,” said Labold. Additionally, Moyer and Graham provided periodic educational seminars for employees to help them lead healthy lifestyles.

4. Evaluate Ancillary Products

If your company has had a good cash year, apply the savings to programs not previously in place, such as wellness or other value-added benefits. This is also the time to develop long-term strategies aimed at fixing costs into the future.

Select ancillary employee benefits – dental, vision and disability – that are comprehensive and affordable, to empower your employees to seek good coverage and maintain their health. Group coverage may be the right fit for your company, as it can provide substantial, convenient and cost-effective coverage for both employers and employees.

5. Find the Right Match

Before deploying, it is essential you ensure the right vendor partners are in place. The Graham Company is instrumental in guiding its clients through this process, as the factors to consider when evaluating the pool of prospective partners is cumbersome. Your advisor should invest the time to understand your organization and what vendors would be a fit with your organization.

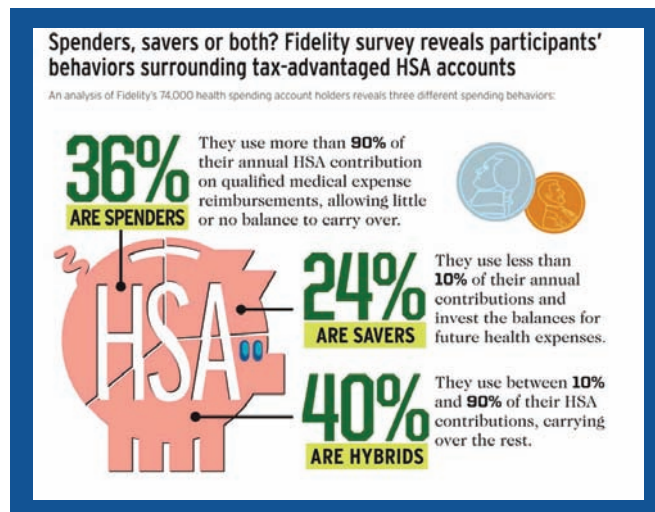
CHANGE THE MINDSET

Is your benefits advisor providing unbiased opinions and industry-leading expertise to

ensure your employee benefits program receives the care and attention it deserves? Benefits costs, and healthcare specifically, have become too large not to have someone paying close attention to the program at all times, while also giving you the time and information needed to make important benefits-related decisions.

“The Graham Company led us through our renewal earlier this month, the first Moyer had since we began our relationship,” explained Labold. “I was truly impressed by how smooth and thorough the process was – the easiest and most enjoyable renewal our company has experienced. Since day one, The Graham Company has made an impact, tapping into years of industry experience and expertise to provide dependable counsel and attentive, high-caliber service.”

To learn more about employee benefits programs and renewal cycles, contact Joe McGinty, Vice President-Employee Benefits Consulting at The Graham Company, at jmccginty@grahamco.com or 215.701.5292.





EXECUTIVE ANNOUNCEMENTS

New Vice Presidents at The Graham Company

Kevin P. Adams, CPA, Vice President - Surety



Kevin joined The Graham Company in May of 1992 as Account Manager-Surety to manage the newly formed Surety Department. Kevin is a member of the National Association of Surety Bond Producers (NASBP) and the Construction Financial Managers Association (CFMA). He is a founding member of the

Berks-Lehigh Chapter of the CFMA and has served as that Chapter's Secretary.

Timothy E.J. Folk, Vice President



As a producer at The Graham Company, Tim services a strong group of clients in the health and human services industry. Before joining The Graham Company, Tim was with Nestlé Waters North America, performing key roles within regional operations, regional business development and acquisitions, regional general management and ultimately, divisional-level operations.

New Members Elected to The Graham Company Leadership Group

In recognition of their contributions, the following individuals were elected to the Leadership Group at The Graham Company by the Board of Directors:

Calvin L. Cass, Account Manager

Timothy E.J. Folk, Vice President

Robert F. Henry, Treasurer

David S. Merker, SSMBB, SSBB, Account Manager

Jeffrey A. Spatz, CHST, Senior Safety Consultant

The Graham Company Leadership Group promotes the growth of the company by communicating company vision and strategy; fostering trust, teamwork and individual development; and generating new ideas and initiatives.

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