

Nexben: A Solution When You're Out of Solutions



"I can't afford this. What do I do?" was the response a broker received from her client as they faced a third year with a 30 percent renewal increase on their plan. "They were out of options they could afford," shared the broker, "but then, we looked at Nexben and found the solution."

The Nexben Solution

"During the renewal process, we couldn't find other group plan options due to their catastrophic claims. No one else was going to quote them," shared the broker. "They had no choice except to take the 30% increase. Then, Nexben came along, and we found a potential solution."

Nexben facilitates an Individual Coverage Health Reimbursement Arrangement's (ICHRAs) ability to provide individual plan choice and cost predictability. Nexben empowers employees with the ability to choose individual health coverage and have premiums payroll deducted, like other group health plans, while keeping costs predictable for employers.

"Nexben was able to help my client avoid the 30 percent renewal increase they would've faced. With Nexben, they could keep their cost level and offer more plan options to their employee group, which meant we could meet two of their goals – cost control and employee retention."

"Attracting and retaining employees is difficult in their industry, and it's been challenging to come up with ways to keep the plan affordable. Nexben, and the cost predictability coupled with more choice, was going to allow them to remain an attractive employer – this was huge for them."

The last goal was finding a feasible option for the client's employees aged 65 and older. "They have many employees that are 65+, and Nexben provided a solution to offer Medicare coverage," stated the broker.

Switching to Nexben resulted in the client saving nearly \$200,000 in total costs and positioned the broker as innovative and solution-oriented when it came to their needs.

CLIENT OVERVIEW

- Industry: National Freight Transportation
- Headquarters: Minnesota
- Locations: MN, NE, CA
- Benefit Eligible Employees: 98

KEY CHALLENGES WITH PRIOR PLAN

- Renewal Month: January
- Enrolled Employees: 53
- Employer Premium Cost: \$405,891
- Employee Premium Cost: \$275,562
- Total Annual Cost: \$681,453

CLIENT GOALS

- #1. Cost control
- #2. Employee recruiting and retention
- #3. Options for employees aged 65+



The Results

- #1. Reduced the existing premium costs by 27.9% or \$211,690.
- #2. The broker and employer collaborated on an **age-banded contribution strategy**. The contributions accounted for premium pricing differences in two different rating areas. The employee monthly premium contributions for that plan are shown to the right.
- #3. Employees selected **49 unique plans with 18 different carriers**. Enrollment compared to the previous plan enrollment increased by 11% (59 vs. 53).
- #4. The client was able to provide options to employees located across 26 states.

AGE BAND	ENROLLMENT	
	MARKET 1	MARKET 2
20-29	\$159	\$345
30-39	\$202	\$404
40-49	\$228	\$455
50-59	\$319	\$636
60-63	\$484	\$750 (54+)
64+	\$536	



The Financial Results*

	RENEWAL PLAN	NEXBEN'S ICHRA	SAVINGS	% CHANGE
Employer Premiums	\$451,841	\$361,878	\$89,963	19.9%
Employer Other Cost	—	\$14,160	(\$14,160)	—
Employee Premiums	\$306,757	\$185,030	\$121,727	39.7%
Total Cost	\$758,598	\$561,068	\$197,530	26.0%

Noteworthy Key Metrics*

Renewal plan rates reflect the 30% increase. **Actual employer savings was 26%**, keeping overall costs in line with the prior year.

Employees saved an average of \$2,063 per year due to lower premiums and greater choice of health plan options.

The employer saved an average of \$1,284 per covered employee.

* Financial Results and Key Metrics summaries were calculated at 59 employees (vs. 53) for comparative purposes.

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