MarshMcLennan Agency

Your future is limitless.℠

BeneCap

A new direction in voluntary benefits.

As part of the #1 captive manager in the world with more than 50 years of industry experience, our group voluntary benefits captive is leading the way in re-imagining voluntary benefits.

The voluntary benefits market is rapidly evolving to support the increasing need for a financial safety net from rising health plan deductibles and out-of-pocket maximums, while the multi-generational workforce demands more flexibility and choice. Employers and employees have become savvy buyers and they want more from their voluntary benefits programs.

Program highlights

- Enhanced coverage and reduced premiums
- No financial downside
- No initial capital requirements
- HR can use surplus funds to enhance employee benefits programs
- Multiple participating carriers
- Provides full transparency into claims, utilization, and expenses

Captives are not just for risk managers. A voluntary benefits captive can be an effective tool for human resources, as it allows for more flexibility, control, and financial support for their employees.

Part of the overall employee package

Voluntary benefits have become a key component of the overall employee package, but employer frustrations with lack of transparency regarding claims and expenses, along with historically low loss ratios have hindered the value delivered.

Employer qualifications

BeneCap is available to all employers with more than 1,000 eligible U.S. employees in any industry. There is no minimum premium or participation requirements, and no upfront financial capital is required. The carrier collects all premium and establishes reserves for future claims and expenses.

Transitioning a current program

Offer a voluntary benefits program to your employees today? Using historical data, we can provide you with a financial model to better understand how BeneCap can create value for you and your employees.

Available coverages

Our unique model allows employers to select from a portfolio of benefits, including:

- Accident
- Critical illness
- Hospital indemnity
- Identity theft
- Legal

Funding to support valuable programs

BeneCap allows employers to reinvest the underwriting proceeds for well-being and benefits programs important to employees today. Proceeds must be used for the benefit of the employees.

Accident, critical illness, hospital, and legal policies are treated as ERISA-covered plans under the employer's wrap document. This allows for the funds to be utilized in a variety of ways, including but not limited to benefits technology, communications solutions, premium holiday, well-being programs, and more.

On average, our clients receive a 10% to 45% premium reduction, enhanced benefit payouts, and improved loss ratios through our proprietary BeneCap captive program.

What to expect

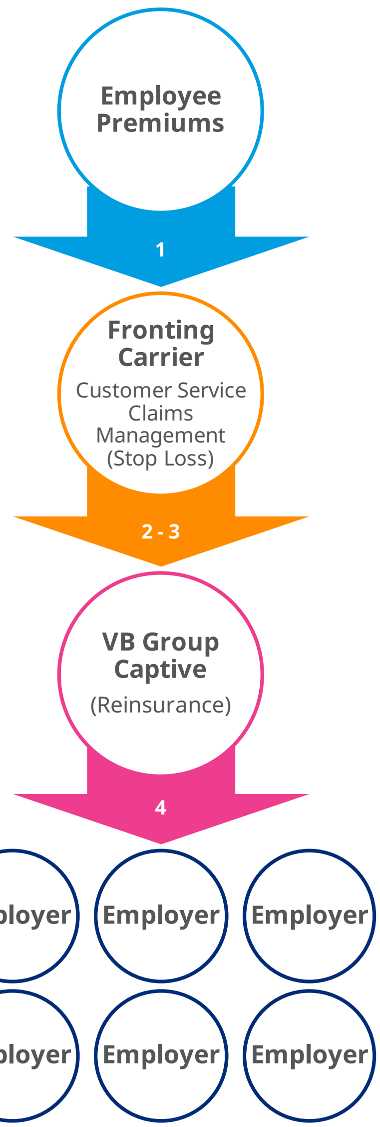
- A multi-carrier request for proposal (RFP) is conducted to ensure you receive best-in-class benefits and pricing.
- You select from one of the participating carriers.
- Fronting carrier receives premiums, adjudicates all claims and is responsible for client service.
- Fronting carrier holds the premiums to pay the claims, expenses and calculates the surplus to the captive.
- Participating employers are **not** responsible for downside risk; only the carrier is at risk.
- Dividends are distributed on a pro-rata basis to participating employers to be used to enhance or fund new benefit plans.

How it works

1. Employees enroll in their supplemental health programs. Employer takes payroll deductions and remits premium to the carrier. The carrier is responsible for issuing policies, customer service, and claims management.
2. Captive reinsures the carrier. Carrier holds the funds to pay claims.
3. Carrier provides stop loss protection to captive in the unlikely event that claims and expenses exceed premium.

   Upon year end, the carrier will net out claims, expenses, and stop loss coverage, from premium and will then remit the surplus to the group captive. In the unlikely event that claims and expenses exceed premium, stop loss coverage protects the captive.
4. Group captive then distributes dividend to each participating employer based on a pro-rata share.

At the end of the plan year, if claims run at a 60% loss ratio or lower, the employer would receive a dividend. If claims run worse than expected, the stop loss coverage will protect the employers from downside financial risk. Annual distributions to the employer will vary based on claims experience and pro-rata share of pooled premium.



Our captive programs by the numbers

24%

Average distribution

14%

Average employee savings

#1

Marsh is the top captive insurance manager in Business Insurance's Spotlight for 13 consecutive years

Traditional vs. BeneCap

Traditional Funding

Premium	$2,400,000
Expenses*	($480,000)
Claims	($540,000)
Projected surplus to Carrier	$1,380,000

Voluntary Benefits Group Captive

Premium	$2,112,000
Expenses*	($865,920)
Claims	($844,800)
Projected surplus to Carrier	$100,329
Projected surplus to Captives**	$300,960

Scan now to try our Program Surplus Estimator and see how much your organization can gain with BeneCap. Let our team help you take a new direction for your organization and your employees.

**Expenses include program management fee and carrier fees. Claims are projected at 50%.*
***Quota Share shown is 75% to the captive, 25% to the carrier, however it can vary between 50%, 75%, or 100% depending on carrier selection and employer size. Dividend is distributed on a pro-rata basis and may vary year to year.*

Captive Insurance Programs
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Business Insurance
Employee Health & Benefits
Private Client Services
Retirement Services

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