

A Top 10-Insurance Broker Delivers Cost-Savings to Client

CASE STUDY

When a broker's client sought a more cost-effective health insurance alternative, they chose Trovia's ICHRA-marketplace solution. Trovia empowers employees with the ability to choose individual health coverage and pay for it on a pre-tax basis while keeping costs predictable for employers.

"Price is the most expensive thing in an employer's benefits [package]," says a broker at the company. "We're tasked with how to keep the price down for our clients. I've had groups move from carriers because of service, so that's a close second priority. Network choice also comes into play for employees."

The Trovia Solution

Trovia, an ICHRA-solution (Individual Coverage Health Reimbursement Arrangement) provides individual plan choice and cost predictability. Trovia allows for employers to contribute a pre-tax allowance that the employee then uses to help pay for the health plan that fits them best. The employee contributions are payroll deducted on a pre-tax basis, like other group health plans.

Trovia's marketplace technology also allows for employees to shop for and compare plans in an

end-to-end platform, taking the heavy lifting off of broker's clients' HR departments or benefits administrators.

"They were ready to test the waters for a new benefit package. It was all about cost-savings, and we knew what their premiums were and that the employee cost on the group platform was very high. The Trovia partnership came about in the spring and it won back this group for us," says the broker.

"We input the contribution strategy into the Trovia system. So, when an employee goes in to shop, they know exactly what amount the employer is contributing before and then whether they went up or down from that was their choice," the broker points out.

"This is a program that is going to win groups and new business [for brokers]," he says.

CLIENT OVERVIEW

- **Industry:**
Residential Property Management
- **Headquarters:**
Minnesota
- **Locations:**
MN, ND, SD, WI
- **Benefit Eligible Employees:** 170

KEY CHALLENGES WITH PRIOR PLAN

- **Current Funding Type:**
Fully Insured
- **Renewal Month:**
November
- **Enrolled Employees:**
100
- **Employer Premium Costs:** \$1,238,071
- **Employee Premium Costs:** \$332,040
- **Total Annual Premium:**
\$1,570,111

CLIENT GOALS

- #1. Reduce cost
- #2. Simple contribution strategy
- #3. Offer greater choice to employees

The Results

#1: Reduced the overall premium costs by 54.1%, or \$849,894.

#2: The broker and client collaborated on a unique contribution strategy. The contributions were "benchmarked" to Gold metal level individual plans in each market. The employee monthly premium contributions for that plan:

Employee only	\$170 per month
Employee + Spouse	\$680 per month
Employee + Child(ren)	\$370 per month
Family	\$680 per month

Employees had the opportunity to "buy up" or "buy down," selecting a plan that best fit their needs. Their pre-tax payroll deductions would vary accordingly.

#3: Employees selected 33 different benefit plans with 7 different carriers. Enrollment compared to the previous plan enrollment increased from 100 to 108 employees.

#4: Trovia helped the employees shop and compare, select, and enroll in a health insurance plan that best fit their needs. Premiums were payroll deducted on a pre-tax basis and paid directly to the carriers.

THE FINANCIAL RESULTS*

	Prior Plan	Trovia	Savings	% Change
Employer Premiums	\$1,238,071	\$618,892	\$619,179	50.0%
Employer Other Cost	—	\$60,000	(\$60,000)	—
Employee Premiums	\$332,040	\$101,325	\$230,715	69.5%
Total Cost	\$1,570,111	\$780,217	\$789,894	50.3%

NOTEWORTHY KEY METRICS*

The prior rates reflected do not include the projected renewal increase, so the **actual employer savings was in excess of 50%!**

Employees saved an average of \$2,307 per year due to the lower premiums and greater choice of health plan options.

The employer **saved an average of \$5,592** per covered employee.

* Financial Results and Key Metrics summaries assumes 100 employees (vs. 108) for comparison purposes.

This material is for general information purposes only. This material is not to be considered or taken as legal, tax, benefit, or human resources advice. Regulations change over time and can vary by location and employer size, among other factors. Nexben and Trovia do not guarantee any form of access, eligibility, or coverage. Consult a licensed broker, human resources certified expert, or attorney for specific guidance. Nexben and Trovia services are subject to terms and conditions.

Trovia™ and Nexben™ are trademarks of Nexben, Inc.

©2021 Nexben, Inc. All rights reserved. T-13_1.15.21