February 14, 2019

**Employee Benefits Broker & Consulting Services for DCC**

1. **About Lawley**

History/Background

Lawley Benefits Group, LLC is a division of Lawley Service Inc., one of the largest independent insurance brokers in the Northeast. Lawley began operations in 1955, employs nearly 400 professionals, and specializes in employee benefits, business insurance, workers compensation, risk management, surety bonds, personal, and specialty insurance.

Lawley’s eleven offices span across New York State, including our corporate office in Buffalo, and office locations in Florham Park, New Jersey and Darien, Connecticut. Our vision and progressive way of doing business for more than 60 years is why we have been consistently recognized as one of the Top 100 Brokers in the U.S.

Operational since January 2000, Lawley Benefits Group possesses more than 100 professionals dedicated to employee benefits consulting. Lawley Benefits Group is managed by six owner-partners with extensive industry knowledge and experience in all aspects of employee benefits consulting. In a highly evolving industry, our firm is distinguished by its philosophy, approach, process, and commitment.

Our firm’s core services are centered on all aspects of employee benefits broker and consulting services. Specialty areas include, but are not limited to, underwriting and financial analyses, consortiums, medical captives, multi-employer group plans, compliance, technology solutions, implementation, and strategic benefits planning. To learn more about Lawley, please visit us at [www.lawleyinsurance.com](http://www.lawleyinsurance.com).

Experience

Lawley Benefits Group has been providing employee benefits broker and consulting services to employers since its inception in 2000. Our firm manages more than $1.5 billion in annual medical insurance premiums. We provide consulting services to numerous multi-state/national and international employers, and have consolidated benefits successfully for many of those clients – from strategic planning, analyses, and recommendations to implementation and ongoing support and service.

We oversee more than 60 self-funded health plans, and our experience in all funding arrangements allows us to benchmark all the components of cost. Your Lawley team will work with you to develop and implement programs that will have the greatest results on managing your medical and prescription drug trend.

Team/Account Support

Your Team Leaders – Partner and Owner, Brian Murphy and Benefits Consultant, Kirk Lincoln – have more than 40 years of combined industry experience. They will provide leadership, develop and implement strategic initiatives and cost management strategies, provide alternatives and recommendations, and manage communication and negotiations with carriers, TPAs, and vendors on your behalf. Brian and Kirk are supported by an experienced team of service professionals, including a Client Relationship Manger, Client Service Specialist, and a Benefits Marketer. The team also consists of professionals from specialty areas that include underwriting and reporting, wellness, and compliance.

Client Examples

Client #1 – Multi-State, 3,000 employees, Publicly Traded, Client since 2016

When Lawley was hired, this company had nine divisions and seven medical plans. The Lawley team instituted a multi-year strategy in order to consolidate plans and manage acquisitions. The seven plans had a mix of self-funded and experience-rated arrangements. Lawley conducted comprehensive analyses of the client’s plan designs, claims, carriers, TPAs, networks, and contribution levels.

Upon renewal, the five experience-rated plans were consolidated to one carrier and the two self-funded plans remained intact. Lawley worked with the client on employee communication and education and managed the implementation.

In year two, all plans were transitioned to self-funding and consolidated to one carrier. One of the nine divisions was not a part of the consolidation due to demographics and poor performance. In addition, Lawley managed the consolidation of several Pharmacy Benefits Managers (PBMs) down to one PBM. We negotiated significant savings for the client.

The Lawley team also consolidated seven dental plans to one dental carrier, while allowing each plan design and contribution strategy to remain the same. Lawley managed a similar strategy with the client’s life insurance, long-term disability, short-term disability, and leave management benefits. The client gained significant administrative efficiency, and all benefits were implemented with very limited disruption to the employees.

Lawley is now working with the client to consolidate other divisions acquired; we are awaiting data to manage strategic initiatives. Our firm implemented a company-wide wellness strategy for cost-control in addition to a company-wide High Deductible Health Plan with a Health Savings Account (HSA) strategy, all of which were custom to each location’s individual needs. Lawley continues to work with this client to consolidate to more uniform plan designs and contribution levels while monitoring satisfaction and performance.

Client #2 – Multi-State, 2,500 employees, Publicly traded, Client since 2000

Lawley helps manage the growth of this organization through acquisitions. The Lawley team conducts the due diligence critical to the success of transitioning new plans into the existing plan. We provide the client a thorough analysis – stop loss, plan designs, carriers, TPAs, networks, contribution, claims, and more – for each new company considered. We seek administrative and pricing efficiencies as we roll these new companies in the client’s self-funded plan. There have been exceptions made to rolling in new plans from specific locations into the corporate plan due to access and cost.

Lawley manages different plans designs for this client based on union and non-union requirements. We have transitioned experience-rated plans as well as self-funded plans into the client’s established self-funded plan. Our firm manages the medical, prescription, and group insurance plans for this client, and we provide them with comprehensive educational tools, compliance services, underwriting, custom reporting, and more.

Solutions and Expertise

Lawley offers multiple solutions, expertise, strong service support, and an array of resources. Your dedicated Lawley team will work with you to understand your needs, goals, and objectives, and provide you with solutions that are right for your business. The following is a highlight of our services:

***Areas of Expertise***

* Strategic Benefits Planning
* Custom Plan Design
* Funding Arrangements & Strategies
* Underwriting and Financial Analyses
* Specialty/Custom Reporting
* Benchmarking and Industry Trends
* Health Care Reform and Compliance
* Plan Implementation
* Medical Captive – *Lawley Proactive Health and other captive programs*
* Private Benefits Exchange – *Lawley Marketplace*
* Consortiums, Trusts and Multi-Employer Plans
* Pharmacy Benefits Management Consulting
* Technology Solutions
* Medicare Services

***Products and Services***

* Medical and Prescription Drug Plans
* Dental, Vision, Life and AD&D
* Short-Term and Long-Term Disability
* New York State Disability (DBL)
* Voluntary Benefits
* Executive Benefits
* Retirement Plans
* Claims and Financial Analyses
* Utilization Trends
* Contribution Strategies
* Compliance Services/Legislative Updates
* Corporate Wellness/Health Management
* Employee Engagement Services
* Online Enrollment and Benefits Administration
* Cafeteria Plan Design and Implementation
* COBRA Services
* Form 5500 Preparation
* Billing Consolidation
* Communication Campaigns

1. **Our Approach and Process**

Your Lawley team will conduct a thorough analysis of your current benefits program, and take into consideration your organization’s objectives and budget to help to determine the best course of action.

Our firm will conduct a comprehensive organizational assessment when evaluating your entire benefits program. This allows us to provide your organization with a customized plan that includes enhanced services to improve efficiency, effectiveness, and help reduce costs.

A complete analysis of the consolidation of medical and pharmacy benefits among multiple entities will be conducted for DCC.

1. **Comprehensive Risk Assessment**

* Lawley needs to understand how the ownership is structured
  + Is there a U.S. Headquarters?
  + Where will all benefits be managed?
* Lawley will obtain detailed information for each group, including but not limited to:

(We will request submission of data in one simplified format for all locations)

* + Census
  + Plan Design
  + Contribution
  + Claims and Utilization Reporting
  + Rate History
  + Current Funding Arrangement
  + Insurance Carriers and Networks
* We will conduct a complete analysis and comparison of plans, insurers, and networks for all companies.
* The feasibility of consolidating benefits, gaining administrative efficiencies, and sharing risk will be examined.

1. **Alternatives and Recommendations**

* Determine the most appropriate funding arrangement
  + Insured
  + Captive
  + Self-Insured
* Discuss potential for one carrier and its network along with alternatives.
* Determine if all groups should be included in the consolidation.
* Establish any excluded groups/outliers that may increase costs if included in the consolidation.
* Determine administrative costs and other additional costs.

1. **Implementation and Monitoring**

* Negotiate with carriers, TPAs, and vendors on your behalf.
* A strategic timeline of approaches considered will be provided.
* Your Lawley team will lead you through plan consolidation and implementation, and provide the tools critical to its success as well as ongoing support and service.

1. **Scope of Services**
2. **Review Benefit Programs for All Entities**

* Rate History, Benefit Levels, Claims Data, Funding Arrangement, Contribution

1. **Strategic Benefits Planning**

* Comprehensive needs assessment will be completed
* DCC ownership structure outlined
* Detailed plan information will be obtained for analysis

1. **Rating**

* Information will be aggregated for all entities
* Risk evaluation will be completed
* Determine Funding – Insured, Captive, Self-Insured

1. **Communication**

* Detailed proposal will be provided based on a complete analysis
* Pros and Cons of consolidation provided
* Outliers determined – companies who may not be a part of the consolidation due to the impact on cost
* Timeline of all approaches considered will be provided

1. **Carrier and Network Analysis**

* Network needs determined
* Costs are based on needs by each area and overall through consolidation
* Negotiate with carriers, TPAs, and vendors
* Facilitate Request for Proposal

1. **Compliance**

* Legal requirements of joining together are determined
* Establish if you are a Control Group, Trust, or Other
* Understand need for U.S. Headquarters and potential location

1. **Cost Control**

* Make recommendations for on-going cost control measures
  + Wellness Programs
  + Case and Disease Management
  + Tele-medicine Services
  + Pharmacy Cost-Containment Programs

1. **Feasibility Analysis**

Lawley has provided numerous comprehensive feasibility analyses for clients in situations similar to DCC. Our firm will provide the resources and expertise necessary to meet the scope of work, goals, and objectives. Generally, our firm charges $25,000 to perform this type of feasibility analysis. If Lawley is selected as DCC’s employee benefits broker and consultant, this fee shall be waived.