

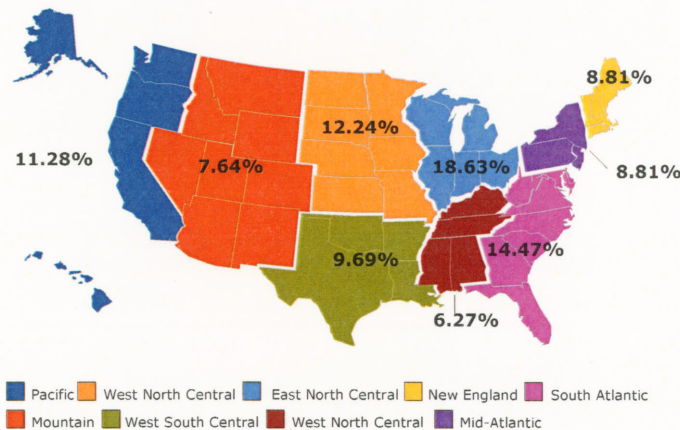
Health Plan Survey

Rises in medical costs and concern regarding the bottom line keeps health plan design a focal point for employers. It's one of the key attractors for employee hiring and retention, and near the top of the list of annual expenditures.

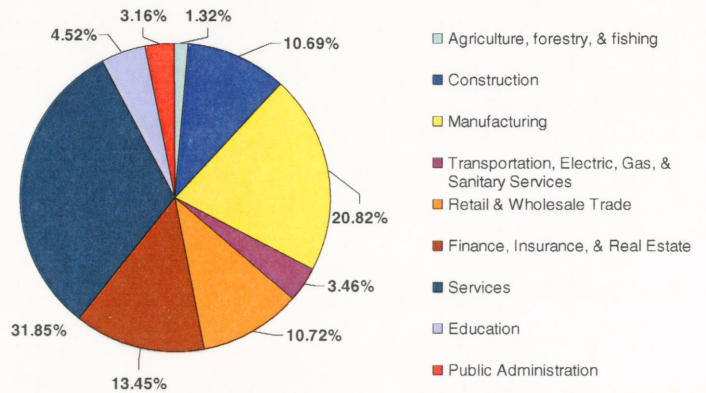
This survey has taken into consideration the plan design and cost of the four primary plan types: PPO, HMO, POS, and Indemnity plans. It also covers the prevalence of Health Reimbursement Arrangement (HRA) and Health Savings Account (HSA) plans, and the issues that are foremost on employers' minds related to health care costs. Almost 2300 respondents completed the survey; their results are summarized below.

Demographic Information

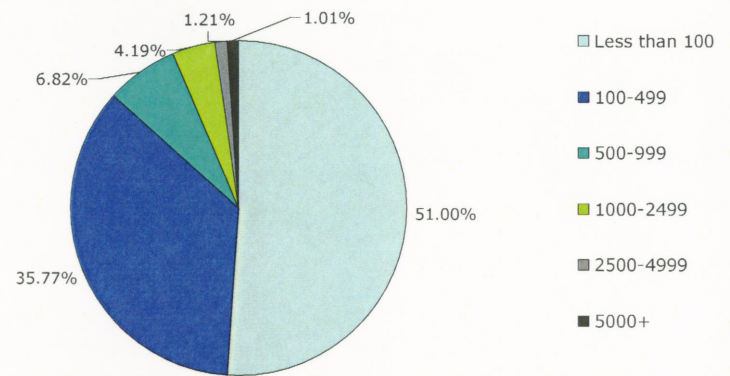
In Which Region is your Organization Based (most employees)?



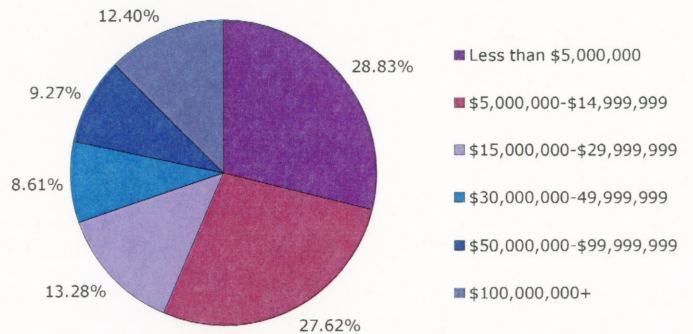
In which Industry/Sector does your Organization Operate?



How Many Employees Does Your Organization Employ?



What is Your Organization's Annual Revenue?



12-Month Percent Changes in Employment Cost Index, Not Seasonally Adjusted

Compensation Component	June 1998	June 1999	June 2000	June 2001	June 2002	June 2003
Civilian Workers						
Compensation Costs	3.5	3.2	4.4	3.9	4.0	3.7
Wages and Salaries	3.8	3.6	4.0	3.7	3.5	2.7
Benefit Costs	2.4	2.5	5.3	4.5	5.0	6.3
Private Industry						
Compensation Costs	3.5	3.3	4.6	4.0	4.0	3.5
Wages and Salaries	4.0	3.6	4.1	3.8	3.6	2.6
Benefit Costs	2.6	2.5	5.7	4.8	5.1	6.1
State & Local Government						
Compensation Costs	2.7	3.0	3.5	3.6	3.6	4.1
Wages and Salaries	3.0	3.1	3.7	3.7	3.2	3.1
Benefit Costs	2.1	2.6	3.1	3.4	4.6	6.8

Source: Bureau of Labor Statistics.

Reprinted by Zywave, Inc. with permission from Employee Benefits News Benefits 2004 Sourcebook. Copyright 2003 by Securities Data Publishing. All Rights Reserved.

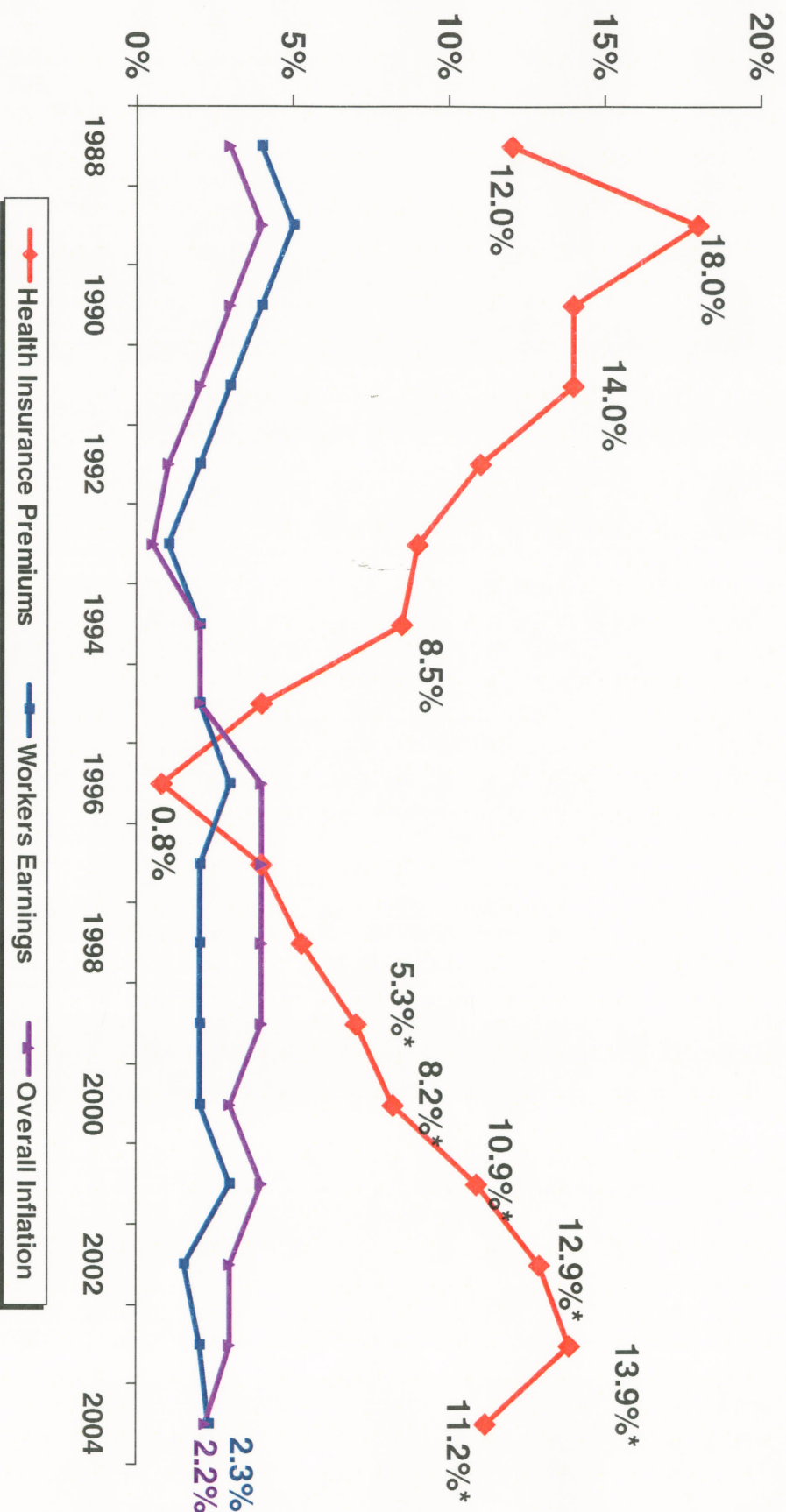
National Averages for Health Care Costs Per Employee by Region

Region	2001	2002	2003	2004	2005 projected
East	\$4,796	\$5,465	\$6,302	\$6,974	\$7,762
Southeast	\$4,335	\$5,171	\$5,913	\$6,684	\$7,436
Midwest	\$4,548	\$5,168	\$6,176	\$6,927	\$7,707
Southwest	\$4,504	\$5,441	\$6,215	\$7,073	\$7,867
West	\$3,999	\$4,527	\$5,551	\$6,262	\$6,971
Total	\$4,567	\$5,259	\$6,034	\$6,778	\$7,542

Source: Hewitt Health Value Incentive, 2004.

Reprinted by Zywave, Inc. with permission from Employee Benefits News Benefits 2005 Sourcebook. Copyright 2004 by Securities Data Publishing. All Rights Reserved.

Increases in Health Insurance Premiums Compared to Other Indicators



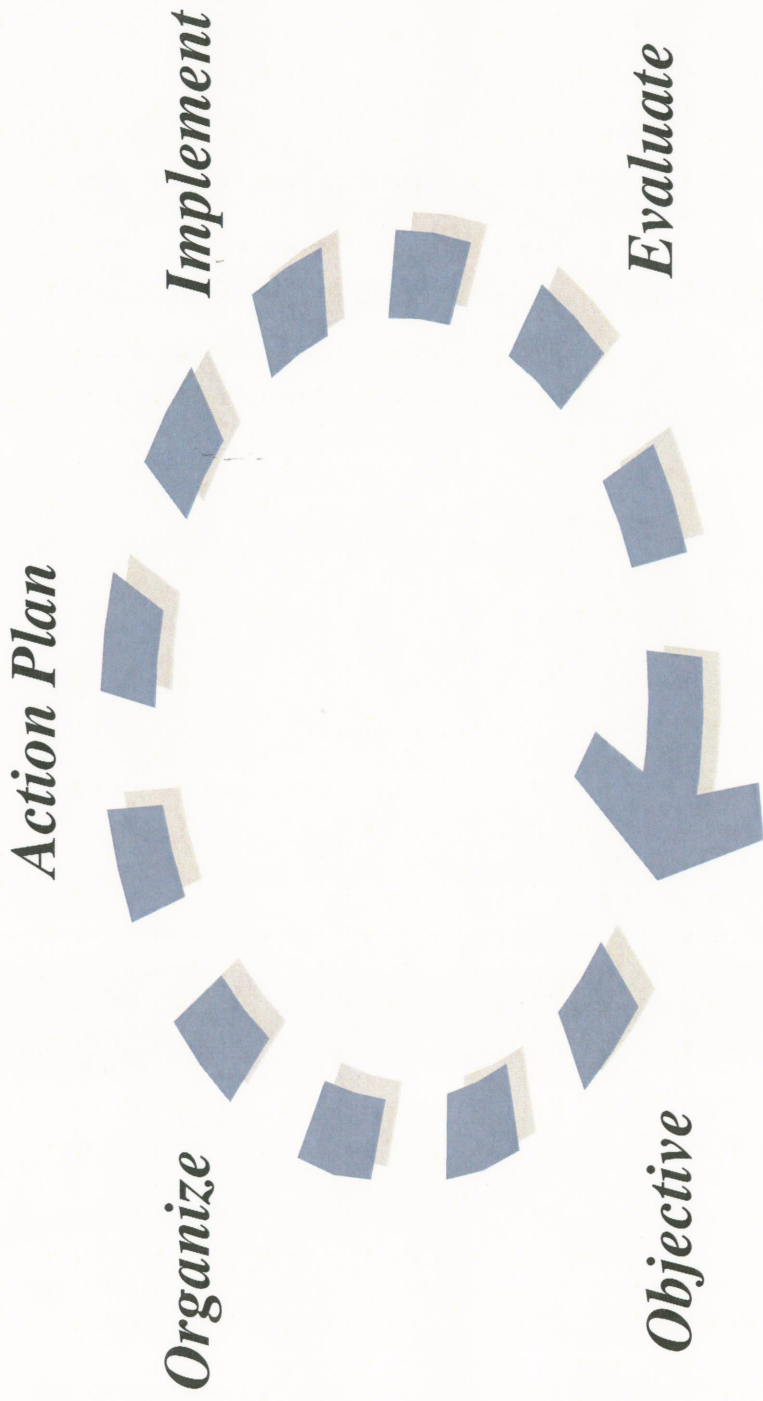
*Estimate is statistically different from the previous year shown at p<0.05. ■ Estimate is different than the previous year shown at p<0.1. Note: Data on premium increases reflect the cost of health insurance premiums for a family of four.

Source: KFF/HRET Survey of employer-Sponsored Health Benefits: 1999-2004; KPMG Survey of Employer-Sponsored Health Benefits: 1993, 1996; The Health Insurance Association of America (HIAA): 1988-1990; Bureau of Labor Statistics, Consumer Price Index (U.S. City Average of Annual Inflation (April to April), 1988, 2004; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey (April to April), 1988-2004.

Reprinted by Zywave, Inc. with permission from Employee Benefits News Benefits 2005 Sourcebook. Copyright 2004 by Securities Data Publishing. All Rights Reserved.

The Hylant Group Strategic Planning Continuum

We recommend that our clients make employee benefits management a strategic initiative. By defining objectives and developing an action plan based on meeting those objectives, we ensure an organized, complete approach to fulfilling your benefits needs.



Strategic Benefit Plan Action Timetable

	Actual		Hylant Group Responsibility	[C_officialname] Responsibility
	Start	Complete		
1. Planning Phase/Meeting				
- Identify/introduce team members				
- Release Broker of Record letters to all parties				
- Establish communication channels through company flowchart/contacts				
- Furnish list of all coverage lines and vendors				
- Determine objectives of consolidation				
- Determine scope of project				
- Discuss timetable				
- Identify information needed for Market Specifications				
- Send employee benefit data request to main contacts				
- Meet with main vendor				
2. Information Gathering				
- Review historical information in files				
- Determine missing information				
- Request missing information				
- Historical claims data				
- Summary Plan Descriptions				
- Master Plan Document and Amendments				
- Rate, benefit and financial history				
- Develop benefit summary matrix (CRITICAL)				
- Review funding alternatives				
- Determine funding alternatives to include in market specifications				
- Discuss potential plan design changes				

DecisionMaster® WAREHOUSE

Sample Company Report Discussion Points

Health Plan Cost

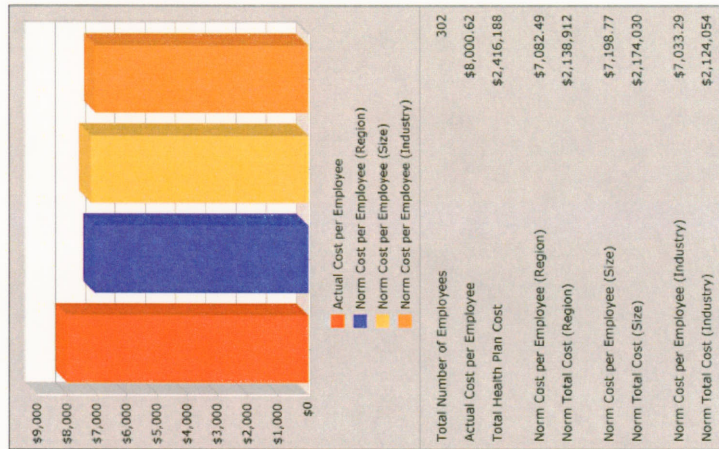
Your company's health care costs per employee include administrative, fixed and variable costs. Claim amounts represent claims paid during the period but not necessarily incurred during the period.

Methodology

Your plan costs were compared to benchmark data for similar employer plans based on region, industry, and employer size.

Region	Midwest
Industry Type	Durable Goods Mfg
Employer Size	200+ Workers

The actual costs for your company are shown in the table. The charts on the next page show your company's claim charges and payments by month for this reporting period. The tables show a breakdown of your health plan costs. If prescription drug information was included, that breakout will appear here.



This page illustrates the overall financial impact of the total health plan costs and compares it with the normative data provided by Kaiser Family Foundation/HRET based on size, industry and region selected in the GSF. KFF is used for the per employee per year norm, as Medstat doesn't include any fixed cost or fees, purely claims data. This is the most common norm that employers often see in trade journals regarding plan costs.

The Health Plan Cost Norm is being compared to whichever categories are selected from the following:

- Region (4 US Census Regions: Northeast/Midwest/South and West)
- Industry (Industrials/High Tech/Wholesale--Retail/Financials/Health Care/-Non Profit/Government)
- Size (2-199 or 200+)

The norm is a weighted average, based upon the single/family contracts entered on the GSF and shown on page 2.



Sample Company

Methodology and Executive Summary

Your company's Health Plan Analysis has been prepared by Better Brokers, Inc. ABC Carrier supplied the raw medical claims data for this group. The claims data was analyzed using a proprietary claims analysis system called Decision Master™ Warehouse. Whenever possible, this group's experience is then compared to benchmark data. All benchmark data reflects the most recent statistics available at the time of this analysis.

The data for this report includes claims paid from 08/01/2002 to 07/31/2003; however, this analysis may not reflect all claims incurred over that same period. The following outlines the counts and assumptions used in creating this report for your company. Total enrolled is equal to the number of family contracts multiplied by 3.2, plus the number of single + 1 contracts multiplied by 2, plus the number of single + 2 contracts multiplied by 3, plus the number of single contracts.

Number of Employees	302
Number of Single Contracts	112
Number of Single + 1 Contracts	0
Number of Single + 2 Contracts	0
Number of Family Contracts	190
Total Enrolled	720

This page identifies the information of the client's current raw medical claims and explains how it is analyzed through the Decision Master claims analysis program. This program will show the high/ low utilization areas and then compared with normative benchmarks from the Kaiser Family Foundation HRET and Medstat. This page also states the time period, number of employees, single and family contracts and the total enrolled.

Total enrolled is calculated as follows: $\text{Single} + ((\text{Single} + 1) \times 2) + ((\text{Single} + 2) \times 3) + (\text{Family} \times 3.2)$. This calculation is used only when broker does not provide exact counts on Group Submission Form, as the Total Enrolled number can be over-riden.

The accuracy of this Total Enrolled is important because it gets used to calculate all the "per 1000" numbers for the normative comparisons.