



INSURANCE OFFICE OF AMERICA

BY THE NUMBERS: ANATOMY OF LEAVING A PEO COST VERSUS BENEFIT DEFINED

Client: Private Company in the Human Services Industry

- AT A GLANCE:**
- 246 Employees in 3 States
 - PEO Rate including Work Comp: 3.65% of Payroll
 - Annual Payroll: **\$8,819,369**

PAIN POINT:

Client realized that they were paying a significant amount of money for services that they were not using and needed a better solution. Some of their plan networks did not provide access to local hospitals.

THE NUMBERS:

CURRENT: \$321,906: PEO cost for Payroll, Services and Work Comp
\$690,376: Benefits renewal with PEO (\$121,247 Increase)

SOLUTION: \$636,007: Level Funded Benefits Plan
\$30,217: Stand Alone Work Comp Policy
\$40,621: Payroll Costs
\$305,437: **Total Savings**
\$32,530: **Estimated additional savings at end of year from self-funded claims**

BENEFITS:

We proposed moving away from the PEO with a new level funded health plan with an independent TPA. Some savings were used to offset employee premium increase. The employee and dependent payroll deductions only went up 5%. Employees kept the same exact plan design options previously offered, with some improvements. A better network was provided through Cigna and we added Concierge/White Glove services.

Group Life, Short Term & Long Term Disability, Dental and Vision remained the same, but with a different carrier.