

Nevont is pleased to present the MGA Affinity Health Insurance Program for the Missouri Grocers Association. We crafted this briefing for MGA after consultation regarding organizational goals and priorities in establishing an association benefit. This benefit addresses the three main goals for MGA:

- Provide members with a robust benefit program
- Offer competitive rates
- Proven cost containment strategy
- Unique and innovative plan designs

The MGA Affinity Health Insurance Program will establish discounted rates for health, dental, and vision insurance. This program is applicable to all members of MGA and is especially competitive in the small group market of employer groups with 2-500 employees. Plan options are available in all 50 states and maintain competitiveness with the option of reference-based pricing (RBP) plans.

Nevont will work closely alongside MGA to ensure the longevity and success of the health insurance benefit. Strategies to do so include the following:

- Each employer group is individually rated with the association discount
- A variety of plan options such as PPO and RBP plans are offered
- Multiple carriers are brought into the program to maintain competitiveness across state lines
- Nevont will quote carriers on an annual basis to encourage competition and to secure the greatest cost savings to members of MGA

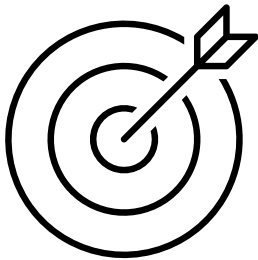


Program Savings

Health Insurance

Group health insurance remains one of the top expenses for small businesses across the United States. Premiums have trended upward due to changing demographics and the rising cost of health care, and deductibles have followed suit with an over 150% increase since 2009. This increase in premiums and deductibles is felt strongest by small businesses who have traditionally been limited in their ability to negotiate with insurance carriers.

Nevont addresses this growing concern with the introduction of the MGA Affinity Health Insurance Program. This program is an additional benefit to MGA that gives their members access to discounted health insurance premiums from some of the leading carriers across the nation. This benefit applies to members nationwide, and it provides competitive rates for a wide variety of health insurance plans:



Over Fifteen Unique Plan Designs Per Carrier

Each carrier comes with their own unique set of plans that include low deductible, high deductible, copay, prescription coverage, PPO, and RBP options for employers. The MGA Affinity Health Insurance Program offers options that are tailor made to meet the unique needs of MGA members.

Dental and Vision Insurance

Ancillary coverage can be a cost-effective way to attract new employees and retain membership. The MGA Affinity Health Insurance Program also comes with discounted rates on dental and vision coverage from nationwide carriers:



Discounted Rates from Local Dentists

MGA members will enjoy discounted premium rates on dental plans from the nation's top dental carriers. Plans can either be voluntary or paid for by the employer, and plan designs can be created to include orthodontia coverage.



Expanded Vision Coverage

Vision insurance can be offered as either voluntary or paid for by the employer and is provided at discounted rates with MGA membership. Members will have access to vision clinics across the country as well as discounts on frames, lenses, and contacts.

Industry Savings

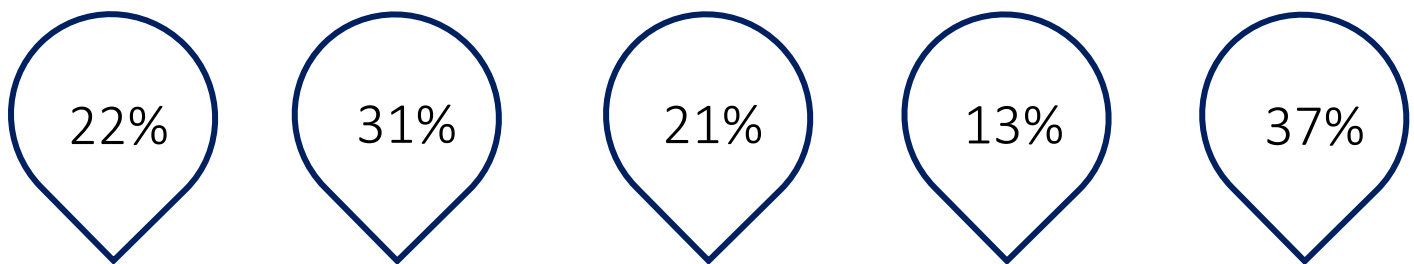
Affinity health plans have been an effective way for associations to leverage lower rates from carriers across industry specification and employer size:

Average Savings Per Industry



Affinity health plans have a high rate of success within the small group market (2-500) employees. These employers have difficulty getting lower rates for group health insurance due to their smaller employee count, but the MGA Affinity Health Insurance Program aggregates their numbers to leverage lower rates from multiple carriers. Doing so grants employers access to lower rates while minimizing the risk associated with other association options.

Savings in the Small Group Market with Nevont Affinity Plans



Employee Count: 15 Employee Count: 6 Employee Count: 57 Employee Count: 106 Employee Count: 4

Groups with the MGA will be individually rated with the discounted premiums secured with the MGA Affinity Health Insurance Plan. Doing so will avoid the pitfalls of having one standard “group rate” across members.

Network Options

The MGA Affinity Health Insurance Program will offer both of the following options:

Preferred Provider Organization (PPO)

A PPO option provides members with access to a predetermined network of doctors and hospitals. PPO plans can be customized to fit local network requirements and can include coverage outside of a member's respective state. PPO plans provide greater flexibility than Health Maintenance Organization (HMO) plans and come with out-of-network benefits.

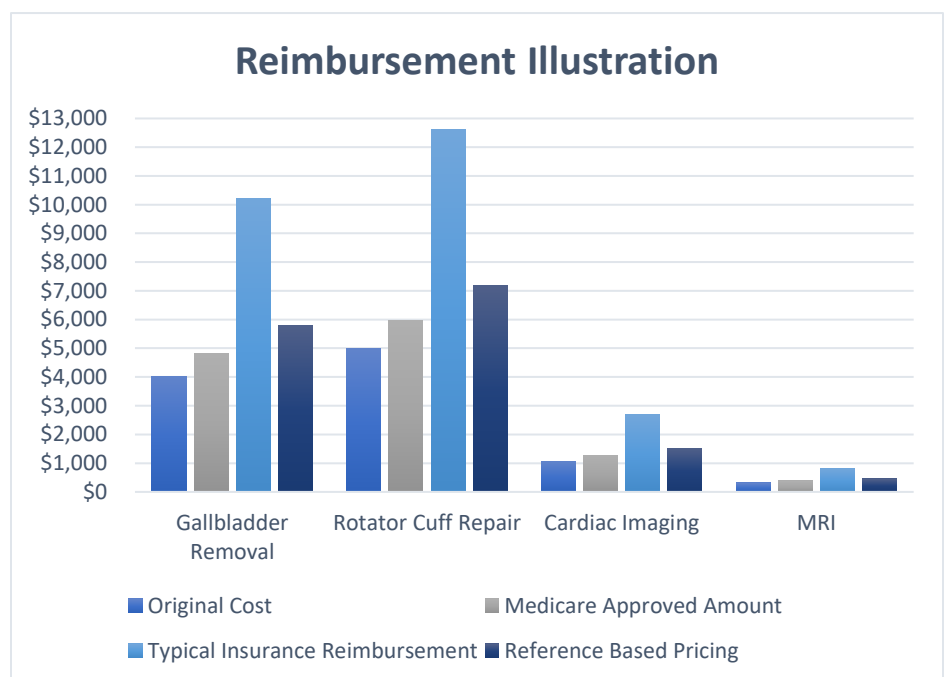


- In-network and out-of-network benefits
- Flexibility in choosing doctors
- Local options

Reference Based Pricing (RBP)

An RBP option lifts network restrictions and allows members to go to the hospitals of their choosing. RBP pays a percentage above Medicare reimbursement (typically 120%-200% above Medicare). This option lowers cost to both the employee and the employer, and it provides a level of predictability in what carriers and members can expect to pay.

- No network restrictions
- Flexibility in choosing doctors
- Lower cost
- Greater utilization
- Stabilizes rates



Quoting and Implementation

Quoting Process

The MGA Affinity Health Insurance Program can work for groups of all sizes. Employers do not have to be a member of MGA to receive a quote, but membership will be required for the plan to go into effect.

Quoting Information

Varies by State

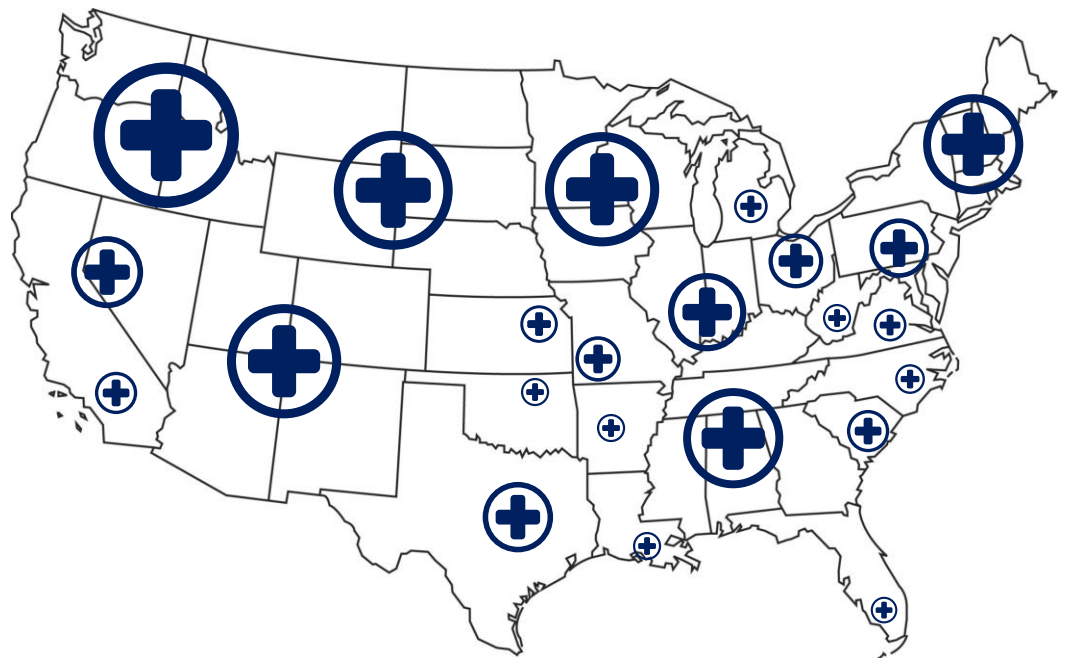
< 100 Employees

Health Surveys

100+ Employees

Utilization Report

Shop with Participating Carriers



Employer Support

Nevont serves as a resource for quoting and implementation for groups on the MGA Affinity Health Insurance Program. Nevont offers expert consultation on everything employee benefits: plan design, Health Savings Accounts, Flexible Spending Accounts, Health Reimbursement Arrangements, level-funding benefits, ancillary coverages, COBRA and FMLA support, and more.

Enrollment Support

- **Benefit Admin System**
Nevont will provide access to multiple systems (Ease Central, Employee Navigator, etc.)
- **Flexible Enrollment**
Nevont provides enrollment support by conducting benefits presentations for employees and customizing educational materials for future enrollments.

Other Services

- **HR Hotline**
Nevont assists employers with HR related matters and provides access to online tools such as the HR Hotline.
- **COBRA and FMLA Support**
Nevont provides resources to employers to assist in their COBRA and FMLA administration.
- **Claims Advocacy**
Nevont is a resource for patient advocacy with both insurance carriers and health providers.

Q&A

How is this program different from other types of association plans?

An Affinity Health Plan employs block quoting to leverage lower rates from carriers by using membership numbers. This type of association benefit avoids the risk assumed by an association in a Multiple Employer Welfare Arrangement (MEWA) and avoids the adverse selection of an association-wide risk pool. An Affinity plan allows each employer group to be rated separately based upon their risk and gives them access to discounted rates when they are members of the association. This avoids the issue of healthier groups subsidizing unhealthier groups, and it grants each employer group greater autonomy over their own health insurance plan.

How would this program be more competitive than what is available in the regular market?

This competitiveness of the MGA Affinity Health Insurance Program comes from discounted premium rates, preferred contracts, and additional ancillary benefits for participating employers. These competitive advantages are negotiated with carriers prior to giving them access to members.

How many carriers would participate in the program?

There is not a set limit on the number of carriers or TPAs allowed to participate. Carriers and TPAs may be approved to join the program after being thoroughly vetted and demonstrating the ability to provide a competitive advantage to participants. All carriers and TPAs are required to file plans with the state and assume full legal risk of policies issued through the program.

Who handles enrollment materials, claims, COBRA and FMLA?

Employers are enrolling directly with participating insurance carriers and will maintain the same relationship as a similar policy in the regular market. The carrier or Nevont will handle all applicable policy needs such as enrollment, claims, filing of appeals, etc.