



Self-funded Dental

Employer Savings and
Optional Stop Loss Protection

Plans administered by:



Dental is Different

While medical plans have seen significant annual rate increases, dental costs have remained steady and typically represent approximately 10% of health care costs.

Fluoride, sealants and other preventive care has dramatically improved oral health. Because most dental needs are predictable, non-catastrophic, low-cost and low-risk, dental benefit plans are ideal for self-funding.

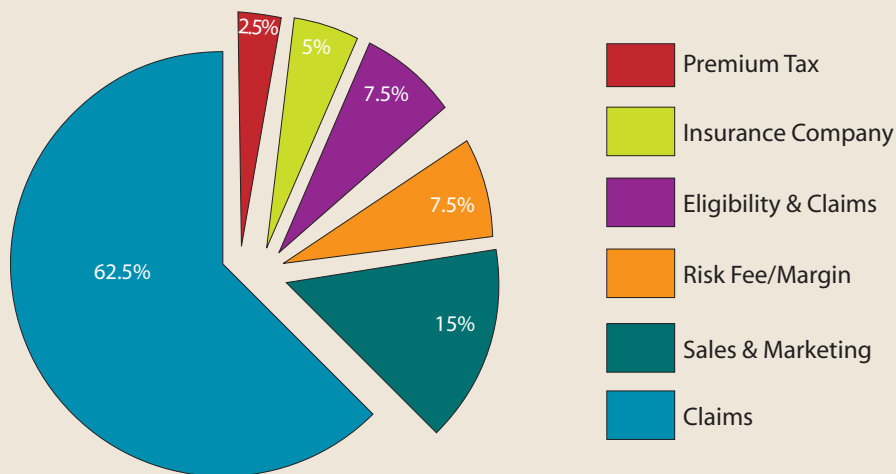
Self-funded vs. Fully Insured

Instead of purchasing insurance coverage from an insurance carrier, an employer can create a self-funded plan where they assume the responsibility for paying employee claims.

The cost savings experienced from moving from a fully insured to a self-funded dental plan can be up to 20 percent. The graph below shows the components of a fully insured dental plan.

With a self-funded plan, an employer reduces or eliminates administrative expenses such as premium taxes and carrier fees.

Fully Insured Dental Plan Components and Percentage of Total Cost



Self-funded plans also offer:

- Unlimited plan design capability
- Fixed cost availability with stop loss coverage

Cost Containment Features and Benefits

In addition to the administration and reporting included in the Self-funded dental product, GroupLink offers optional cost containment services, providing additional value to the administrative services:

Coordination of Benefits

- Data captured at time of enrollment and from provider billings.
- COB savings are approximately 5%.

Usual, Customary & Reasonable Reviews

- GroupLink subscribes to a national database.
- UCR percentage selected by the employer, i.e. 80th percentile, etc.
- Adjudication system automatically applies to each claim.
- UCR savings are approximately 10%.

Subrogation

- Accident and third party liability claims reviewed for reimbursement.
- Calendar and lifetime maximums of the plan design determine how many dollars are potentially reimbursed.

Dental Necessity Reviews

- Internal and external dental consultants used for review.
- General dentist and specialists available in all 50 states for claim review
- Medical necessity savings are approximately 3%.

Rebundling of Unbundled Charges

- Claims staff and adjudication system identify unbundling.
- Billings are rebundled and processed using ADA methodologies.
- Explanations are provided to the dentist so they know why they charges were recoded.

Plan Design Review

- GroupLink will review with client initially and each year at renewal.
- Will discuss areas where client may be at risk of exposure.
- Any plan design changes will be at authority of client.

Full Time Student Verification

- Collected at time of enrollment and re-verified each semester.
- Close monitoring prevents client from covering dependents who are no longer eligible under this plan.

Preferred Provider Organizations (PPOs)

- Contracted with multiple PPO networks nationwide.
- Employer & Employee savings from 20-60%.

Aggregate Stop Loss Coverage

An Aggregate Stop Loss (ASL) policy protects an employer against fluctuations due to claim frequency. An employer's overall claim liability is limited to a certain dollar amount, referred to as the Attachment Point.

The ASL policy provides reimbursement when covered claims for the plans as a whole exceed the Attachment Point. ASL policies are sold only in conjunction with self-funded dental programs by GroupLink.

GroupLink offers two ASL policy types:

12/12 coverage: Requires that all claims are incurred and paid within the 12-month contract period.

12/15 coverage: Requires that all claims are incurred within the 12-month contract period, but paid within 15 months. (Includes a 3-month run-out period).

Monthly Accommodation

Monthly accommodation coverage is optional coverage which provides protection for the employer against unusually large claims which may occur in any one month. This coverage "levels" the amount of claims over the one year of the contract.

Terminal Liability

Terminal liability protection is also available. This coverage protects the employer in the event they elect to cancel the self-funded arrangement at the conclusion of a plan year with outstanding claims which have not been funded.

Underwriting

Self-funded plans with Aggregate Stop Loss policy must meet the following requirements:

- Plan must be exclusive employer plan
- Employer must contribute a minimum of 50% of expected cost
- Minimum 25 lives with employee participation of 75%
- Minimum premium for 12/12 contract is \$1,250
- Minimum premium for 12/15 contract is \$2,500



Dental Plan Cost Comparison*

| | Self Funded | | | Fully Insured |
|--------------------------------|------------------|---------------------|--------------------|--------------------|
| | Minimum | Expected | Maximum | Actual |
| EMPLOYEE ONLY | | | | |
| Expected Claim Cost | \$ - | \$ 18.00 | \$ 21.60 | \$ - |
| Plan Administration Expense | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ - |
| Sales & Marketing Expense | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ - |
| Stop Loss Insurance Premium | \$ 1.50 | \$ 1.50 | \$ 1.50 | \$ - |
| Total | \$ 7.50 | \$ 25.50 | \$ 29.10 | \$ 28.00 |
| Number of Single Coverage | 10 | 10 | 10 | 10 |
| Monthly Cost | \$ 75.00 | \$ 255.00 | \$ 291.00 | \$ 280.00 |
| Annual Cost | \$ 900 | \$ 3,060 | \$ 3,492 | \$ 3,360 |
| EMPLOYEE AND SPOUSE | | | | |
| Expected Claim Cost | \$ - | \$ 36.00 | \$ 43.20 | \$ - |
| Plan Administration Expense | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ - |
| Sales & Marketing Expense | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ - |
| Stop Loss Insurance Premium | \$ 1.50 | \$ 1.50 | \$ 1.50 | \$ - |
| Total | \$ 7.50 | \$ 43.50 | \$ 50.70 | \$ 50.00 |
| Number of Single Coverage | 10 | 10 | 10 | 10 |
| Monthly Cost | \$ 75.00 | \$ 435.00 | \$ 507.00 | \$ 500.00 |
| Annual Cost | \$ 900 | \$ 5,220 | \$ 6,084 | \$ 6,000 |
| EMPLOYEE AND CHILD(REN) | | | | |
| Expected Claim Cost | \$ - | \$ 36.00 | \$ 43.20 | \$ - |
| Plan Administration Expense | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ - |
| Sales & Marketing Expense | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ - |
| Stop Loss Insurance Premium | \$ 1.50 | \$ 1.50 | \$ 1.50 | \$ - |
| Total | \$ 7.50 | \$ 43.50 | \$ 50.70 | \$ 50.00 |
| Number of Single Coverage | 10 | 10 | 10 | 10 |
| Monthly Cost | \$ 75.00 | \$ 435.00 | \$ 507.00 | \$ 500.00 |
| Annual Cost | \$ 900 | \$ 5,220 | \$ 6,084 | \$ 6,000 |
| FAMILY | | | | |
| Expected Claim Cost | \$ - | \$ 79.68 | \$ 96.00 | \$ - |
| Plan Administration Expense | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ - |
| Sales & Marketing Expense | \$ 2.00 | \$ 2.00 | \$ 2.00 | \$ - |
| Stop Loss Insurance Premium | \$ 1.50 | \$ 1.50 | \$ 1.50 | \$ - |
| Total | \$ 7.50 | \$ 87.18 | \$ 103.50 | \$ 100.00 |
| Number of Single Coverage | 10 | 10 | 10 | 10 |
| Monthly Cost | \$ 75.00 | \$ 871.80 | \$ 1,035.00 | \$ 1,000.00 |
| Annual Cost | \$ 900 | \$ 10,462 | \$ 12,420 | \$ 12,000 |
| Total Monthly Cost | \$ 300.00 | \$ 1,996.10 | \$ 2,360.00 | \$ 2,280.00 |
| Total Annual Cost | \$ 3,600 | \$ 23,953.20 | \$ 28,320 | \$ 27,360 |

*Self-funded monthly maximum costs are illustrative only. Aggregate stop loss insurance is reimbursed annually. Above illustration does not include plan start up or SPD printing costs.

About Us

GroupLink, Inc. was founded in 1983 and specializes in high value, cost-effective, hassle-free dental and vision plans.

In 2006, GroupLink was acquired by Independence Holding Company (NYSE: IHC), a well-respected, financially secure insurance organization that is changing the face of the health insurance industry. Today, the IHC Group has:

- One million customers
- Thousands of qualified agents nationwide
- Three carriers rated "A-" (Excellent) by A.M. Best
- More than 25 years of life, health and stop-loss insurance experience

Our customer-based service is outstanding, with industry leading turn around times for:

- Quotes
- New case issue within 10 days of receipt of all information
- Employee adds/deletes within 48 hours
- Claims processing within 5 working days



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