



Navigating Your Path to Success

Sp  **ing** SM

About Spring

Spring Consulting Group, LLC is a multidisciplinary risk management consultancy. Our functional expertise covers the full spectrum of organizational risk, from small group health insurance for employers, to captive insurance for large, multinational corporations. While our practice areas are managed separately, each conforms to a common set of principles that ensures consistency, transparency, thoroughness, and client care of the utmost quality.

Our client work does not occur in silos – we recognize that sophisticated organizations demand a fully integrated approach to problem solving and value creation. We know that every client has unique challenges, needs, and desires. Our consultants, actuaries, and insurance specialists know that asking the right questions produces valuable and actionable results.

Through innovative risk financing and wealth creation strategies, our clients gain long-term, measurable financial benefits. Our financial services product development initiatives and integrated disability management protocols create revenue opportunities and reveal cost savings heretofore considered beyond our clients' reach.

Asking the right questions produces the best outcomes.

Let Spring Navigate Your Path to Success...

Actuarial Services | Alternative Funding & Captives | Brokerage & Financial Services | Employee Benefits | Insurance Financial Services | Property & Casualty Risk Management

www.springgroup.com
(617)589-0930
insight@springgroup.com

Why You Should Work with Spring

- Recognitions
 - Risk and Insurance **Top Employee Benefits Consultant** for 2011
 - Business Insurance **Innovation** Award for 2011
 - Risk & Insurance **Risk Innovator** Award in 2010
 - Risk & Insurance Employee Benefits **Power Broker** award in 2007, 2008 and 2010
- Granted a **patent** for Captive Funding of Employee and Retiree Benefits - the first one of its kind
- Hold the following **designations**: FSA, MAAA, ARM, CPCU, AU, ACI, GBA, CLTC, CDHC, EA
- **Experts in the use of captives for employee benefit funding**, which has become a hot topic as organizations look to drive down costs in this economic environment

Employee Benefits

Consulting and Brokerage Services

Today, employers are being asked to offer and support a much more comprehensive benefits package for their employees. Whether these benefits are traditional(employer paid) or voluntary, employers want to be able to offer benefits that meet the employees needs through a cost-effective approach that are aligned with the goals of the company.

Spring works with clients to design employee benefit strategies that work in today's markets. We help employers invest in their workforce through structured benefit programs that can demonstrate a return in productivity and efficiency. Benefits are designed to be competitive recruitment tools and to effectively reduce absenteeism, disability and chronic illness. We avoid a *one-size-fits-all* approach and recommend strategies that address the challenges that face our client. Our integrated and innovative solutions will create value for employers and their employees by protecting their health, creating wealth and ensuring their interests.

Our solutions include:

- Healthcare benefits programs (Medical, Dental, Vision, Pharmacy)
- Welfare benefit programs (Group-term Life, Retiree Life and Disability)
- Voluntary benefit programs
- Wellness benefit programs
- Program assessment, plan design, pricing, placement and implementation
- Funding analysis and financial evaluation
- Development of funding strategies
- International benefits and pooling
- Health and Productivity Management
- Integrated Disability Management
- Total Absence Management
- Wellness and Disease Management
- Vendor/carrier selection, negotiation and management (RFP development through implementation)
- Employee relations, communication and training (open enrollment, training manuals, e-learning materials)
- Employer and employee satisfaction surveys

Our convergence of expertise includes:

- Benefit Funding Strategies
- Healthcare Benefits
- Wellness Benefits
- Life and AD&D
- Retirement Benefits
- Voluntary Products and Services
- Health & Productivity Management
 - Integrated Disability Management
 - Total Absence Management

Captives and Risk Financing Strategies

Given historic market conditions and the current economic environment, alternative funding solutions are being explored by many organizations to provide greater value for their benefit dollars on both employee benefits and property & casualty.

The use of captives (licensed insurance carriers that are controlled by a parent corporation) have increased over the past ten years. Business in captives consists primarily of insuring or reinsuring the risk exposure of the parent, the parent affiliates and other entities that have a direct relationship with the parent.

Employers have experienced the following advantages by using a captive for employee benefits and property & casualty risks:

- Cost savings and increased cash flow of programs
- Ability to tailor-make benefit designs
- Enterprise Risk *Financing*™ (ERF)
- Tax advantages

Our expertise in a diverse selection of industries and market sectors, brings years of hands on experience and resources to organizations which provide cost savings. Spring has over 25 years of experience pioneering alternative funding strategies for insurance risk through captives. We currently hold a U.S. Patent for a ***Program For Alternative Funding of Employee and Retiree Benefits*** and have recently filed for another patent to address funding mechanisms for pension benefits through a captive.

Our convergence of expertise includes:

- Employee benefits & property/casualty
- Feasibility analysis to implementation
- Actuarial and financial evaluation
- Enterprise Risk *Financing*™ (ERF)
- Captive utilization & capital management
- Risk-adjusted Cost of Risk Capital™ (RACRC)
- Patented captive design for funding retiree medical obligations
- Medical stop-loss group captives
- Return on investment (ROI) modeling

Integrated Benefits Management

Employers will benefit greatly by integrating disability, FMLA, workers' compensation, benefits and health management initiatives into one program. Our customized solutions integrate benefits, create process efficiencies and consistently reduce costs over time. Our cross-functional knowledge of workforce planning gives us the experience necessary to work with your organization to move towards the ideal model for your business, whether it's a thorough step-by-step process or a complete overhaul of multiple programs at once.

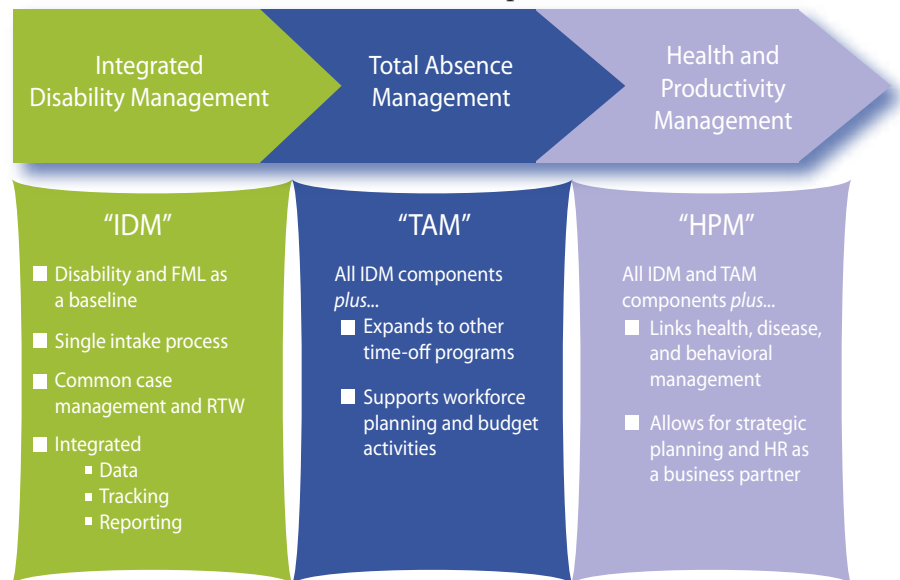
Health & Productivity Management

Just 10% of claims account for more than 50% of total medical costs*. Employers and CFO's understand that the cost of an absence stretches beyond replacing wages to leaving work undone and missing deadlines; ultimately having an overall affect on productivity and opportunity costs. Employers will benefit greatly by taking measures to examine the business impact of their health plan and integrate it with their disability and absence management programs.

Employers who integrate health and productivity have benefited from:

- Reduced costs and lost time
- Increase in employee satisfaction
- Decrease in workers' compensation, disability and absence rates
- Improvement in productivity

Our health and productivity management solutions encompass:



Accurate tracking and effective management of employee absences due to the Family Medical Leave Act (FMLA) are a growing concern for organizations across all industries and sizes. Employers often struggle with FMLA compliance due to rapidly evolving regulation, which creates an opportunity for litigation issues if proper care is not taken to manage FMLA related absences. Whether your organization is looking to outsource FMLA administration or bring these services in-house, Spring can help you evaluate your current processes and strategize on the most beneficial and cost efficient method of administration.

Integrated Disability and Absence Management

An essential component to managing your workforce, employers want their employees to return to work healthy and productive. Without proper guidance in place, many workers are left without appropriate direction or incentives to return to work. Spring works with employers to align short-term disability (STD) and long-term disability (LTD) policies to ensure a streamlined process from both an administrative and employee perspective. Our insight into the industries best practices allows us to assess your current process and offer improvements to increase the effectiveness of your overall disability management model.

Property & Casualty Risk Financing

Today's corporate risk managers wear many hats. Very often, the risk manager is also the chief financial officer, treasurer, or in-house counsel; consequently, risk management often takes a back seat. As a result, many companies struggle to recognize the most efficient and effective ways to manage and finance their risks, instead relying on the purveyors of insurance products to define their risk management agenda.

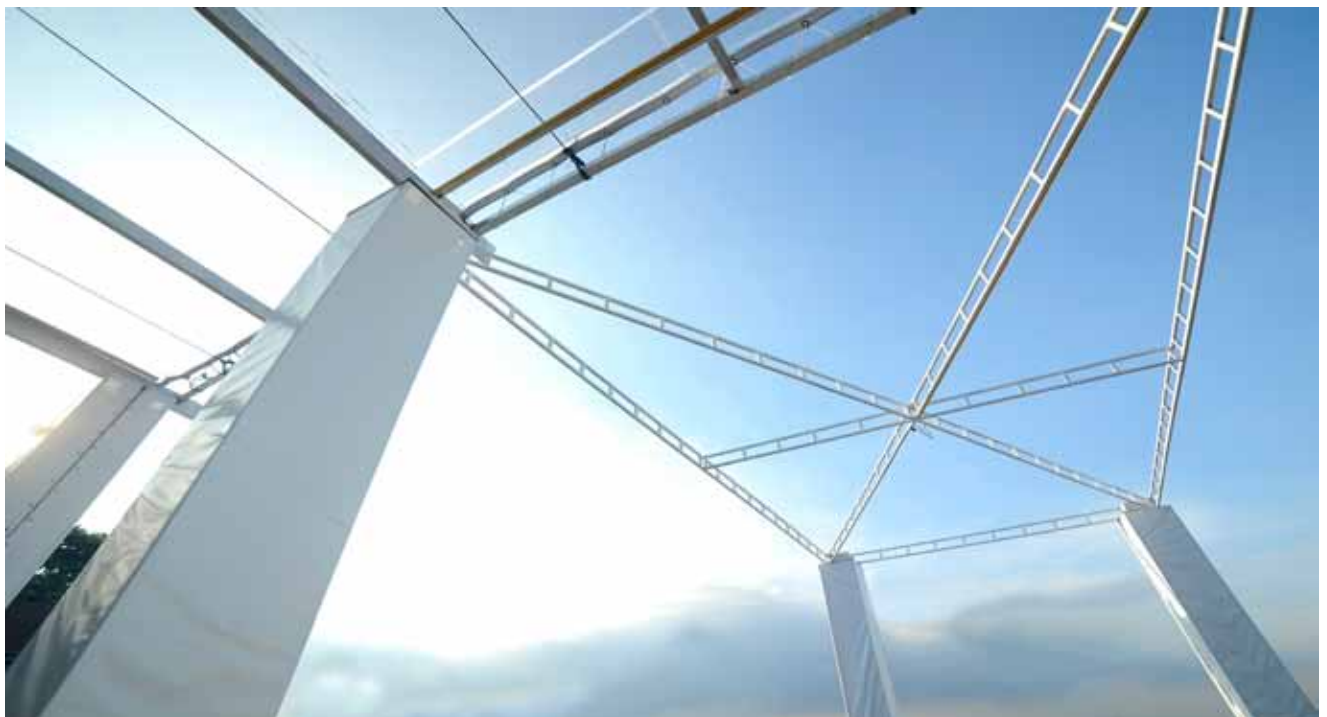
Spring's risk management consultants work closely with employers of all sizes to identify, evaluate and actuarially quantify risk. Risk financing often involves the placement of individually customized insurance programs, and increasingly includes the use of various alternative risk transfer techniques, such as captives, risk retention groups and structured reinsurance solutions.

Our solutions include:

- Strategy development including Enterprise Risk Management
- Risk retention funding analysis and implementation
- Captive reporting and support
- Loss control services
- Insurance program design and risk transfer review

Our convergence of expertise includes:

- Self-insured retention optimization modeling
- Manuscript policy development
- Excess insurance and reinsurance design and placement
- Integrated, multiyear program designs



Actuarial Services

Our actuarial capabilities encompass four key practice areas:

- Valuation and Financial
- Pricing and Product
- Strategy and Growth
- Compliance

We provide a comprehensive suite of actuarial services from ad-hoc actuarial consulting to ongoing actuarial support. Our diverse experience and expertise provides us with the depth necessary to tailor unique, innovative and holistic solutions for your insurance, financial and risk management needs.

Our actuaries and consultants seek to understand our clients' circumstances, current market conditions and potential future developments. Being a leader in alternative funding strategies for employee benefits has given us the broad insight into insurance and alternative risk transfer programs.

We have significant underwriting, business development, strategy and accounting operating experience, and we:

- Provide insightful, accurate actuarial and financial advice, analysis and certifications in compliance with Actuarial Standard of Practice
- Are experienced drivers of growth, helping guide new programs and start-up operations
- Apply financial and mathematical models to help you analyze and optimize risk alternatives
- Are skilled leaders of block of business transitioning and re-sourcing operations
- Successfully manage employee benefit and insurance programs to achieve sustainable balance growth and profit

Valuation and Financial

- Financial Projections
- Actuarial Opinions/Memoranda
- Reserve Valuations
- Stochastic Analysis
- Variance Analysis
- Appointed Actuary Services
- Claim Run-off Studies
- Sensitivity Analysis

Strategy and Growth

- Planning
- Vendor Management
- Feasibility Studies
- Benchmarking
- Agreement Review/Negotiation
- Product Development
- Rating Agency Support
- Capital Risk Management

Pricing and Product

- Rate Development Filing
- Experience Analysis
- Trend Studies
- Underwriting and Benefit Design
- Reinsurance Analysis and Negotiation
- Renewal Analysis and Negotiation
- Welfare Funding Studies

-
- Recommendations around evolving legislation, regulation and accounting requirements
 - Operational Audits
 - Independent Fiduciary Work
 - Medicare Part D Certification
 - Coordination with outside vendors
 - Actuarial opinion filing with state regulators
 - Captive Loss Projection Certification

Case Studies

For a national manufacturer, Spring implemented a streamlined short and long term disability (STD/LTD) and Family Medical Leave Act (FMLA) process that closely coordinated with workers' compensation (WC) and ensured corporate compliance.

Spring's process decreased average disability duration from 48 to 34 days and losses from \$5 million to \$4.1 million.

A small manufacturing company was plagued with high health insurance costs. Our innovative plan design resulted in a unique cost-sharing combination that incorporated co-payments, deductibles, and an employer-funded HRA.

Spring saved the employer 25% on premiums while keeping benefits rich for employees.

We helped a large healthcare organization expand their existing captive to fund long term disability (LTD) and group life/AD&D coverage while keeping their existing carriers intact.

Spring negotiated \$7 million in year one program savings that were passed onto employees and established a financial reporting program that streamlined the process for the HR department.



www.SpringGroup.com
(617)589-0930
insight@SpringGroup.com