



*“Caring through Action”*

**At the close of another year,  
We gratefully pause  
To wish all of our clients a  
Happy Holiday Season  
And a New Year of Health, Happiness,  
Peace and Prosperity**

*Happy Holidays from all of us at  
American Benefits Alliance!*

## **We Are Ameriben**

Our member agencies, KGS Insurance Services, Thomson Financial Services, Benefit Plans Unlimited and Paul E. Smith Insurance are member partners of Ameriben Alliance and you will see us using American Benefits Alliance's Ameriben name more often!

We've grown large enough to service all your needs but we will always be small enough to give you the personal attention you're used to! We have a large support staff on call daily to respond to all your service needs:

- Claim and billing problems
- Prescription formulary problems
- Cobra questions and paperwork
- ID Cards/primary care physician issues
- Enrollment/terminations-employees and dependents -
- Send us the paperwork, we will track the application and send you a confirmation.

Always remember that your agent, whether it is Kelly, Paul, Rob, Bill, Keith, Bob or George are always available to respond to your inquiry.



To find out who's who, visit our web site at [ameribenalliance.com](http://ameribenalliance.com)

## **Ameriben & Anthem**

Middletown, CT, -- November 18, 2002 - Ameriben Alliance, LLC has entered into an agreement with Anthem Blue Cross & Blue Shield of Connecticut, to be one of the first employee benefit agencies in the state to partner with Anthem Blue Cross & Blue Shield in the utilization of BenefitsManager<sup>SM</sup> electronic transmitting system.

This system will add employees and/or dependents quicker, new employees and dependents will receive their I.D. cards sooner, and terminated employees will be removed immediately. In addition, client bills will be more accurate and reflect credits more rapidly. COBRA administration changes will also be handled through the system.

One more way to serve you better.

Ameriben Alliance, LLC is recognized as an Anthem Blue Cross & Blue Shield Market Leader.

## **Enrollment Reminder!**

Some plans have specific time limits that apply when adding new employees and dependents. Promptly communicating these changes to us will help us to process the enrollment efficiently to avoid any delay. Be sure to notify us directly of any additions within 30 days of the qualifying event (birth, marriage, etc.) so that we can send the appropriate forms in time to make the change.

## Carrier Updates

ConnectiCare®

iPlans™

Iplans are ConnectiCare's New Generation of Affordable Health Plans.

You can choose hospital deductible plans between \$1,500 - \$5,000, up front deductibles of the same amounts or up to \$30 office visits copays with hospital copays of \$500 per day to a \$2,000 maximum. The cost savings can range between 4 - 40% over a traditional \$20 copay plan. We will show you these options upon renewal!

### CBIA Health Connections

CBIA has announced the addition of their \$30 copay plan. This plan has a \$30 Primary Care Office Copay, \$45 Specialist Office Copay and a \$500 per day Hospital Copay to a \$2,000 Calendar Year Maximum. This plan is about 6% lower than the HMO Standard plan; depending on carrier. All carriers; Aetna, Cigna, ConnectiCare, Healthnet and Oxford will be available January 1, 2003. This plan will be another option added to the already 22 other options. It is designed to keep costs down.

## REFERRALS PLEASE!!!!

We are always accepting new clients. We tailor our services to meet the needs of each individual business. Do you know of someone who might benefit from our services? A referral from you would be greatly appreciated!!!!

## Why Are Healthcare Costs Climbing Rapidly? Factors Driving Rising Costs in Healthcare Premiums (2001-2002)

Trend Factors	% Points	% of Total Increase
<b>Medical Trend</b>	13.7%	100%
<b>General Inflation (CPI)</b>	2.5%	18%
<b>Drugs, Medical Devices and Medical Advances</b>	3.0%	22%
Prescription Drugs		
Other advances in diagnostics and treatments		
<b>Rising Provider Expenses</b>	2.5%	18%
Hospital (consolidated, in particular) negotiating higher payments		
<b>Government Mandates and Regulation</b>	2.0%	15%
Over 1,500 existing mandates at state and federal level		
New mandated benefits		
Elimination of cost-control tools or limiting flexibility to use them		
Regulatory requirements (red tape, duplication of federal or state requirements)		
<b>Increased Consumer Demand</b>	2.0%	15%
Aging population, "Front page" treatments (i.e., media coverage drives demand for expensive treatment)		
Increased preventive and diagnostic activity		
Consumers moving away from less expensive managed care products		
<b>Litigation and Risk Management</b>	1.0%	7%
Class action lawsuits, out sized awards and legal costs,		
Defensive medicine, malpractice premiums, reinsurance		
<b>Other Categories</b>	0.7%	5%
Fraud and Abuse		
Miscellaneous		

Source: PricewaterhouseCoopers analysis, April 2002.

With health insurance rates soaring, many insurance companies have begun to offer plans that offer savings on premium, but shift more medical costs to you the consumers.

Available to you now are plans that range anywhere from \$30 Primary Care Physician Copays to Up front or Hospital Deductibles of up to \$5,000. There is a wide range of plans available that can save you between 8 - 40% depending on how much risk you want to assume when you use your plan. We will be showing you these plan options at renewal.

# The Man in the Glass

Author Unknown

When you get what you want in your struggle for self  
and the world makes you king for a day.  
Just go to a mirror and look at your self,  
and see what that man has to say.

For it isn't your father or mother or wife  
whose judgment upon you must pass.  
The fellow whose verdict counts most in your life,  
is the one staring back from the glass.

He's the fellow to please, never mind all the rest,  
for he's with you right up to the end.  
And you have passed your most dangerous, difficult test  
if the man in the glass is your friend.

You may fool the world down the pathway of life,  
and get pats on the back as you pass.  
But your final reward will be heartaches and tears,  
if you have cheated the man in the glass....



## Consumer Driven Health Care

Consumer Driven Health Care (CDHC) plans are being designed to put choice back into the hands of consumers. The majority of plan designs being proposed are high-deductible health plans. Coupling these plans with a Health Reimbursement Account (HRA), consumers are then given much more control of their own healthcare decisions.

The Health Reimbursement Account (HRA) would be funded entirely with employer dollars that the employee can use towards covering their healthcare costs. Unlike Flexible Spending Accounts (FSA), if the employee doesn't use it within the plan year, it can be rolled over to following years. Employees will have a vested interest in how their dollars are spent. Employers would purchase insurance above the individual deductible in the HRA account of each employee to cover catastrophic healthcare needs.

The question remains whether consumers will welcome these changes with open arms?

The key to the success of these new plans lies in the basic concept behind CDHC, consumer education. It will empower employees to make their own healthcare decisions rather than relying on their employers to make the decisions for them. It remains to be seen whether consumers will accept these new plans and the responsibility they will have to spend their HRA account dollars wisely. At present only a few large multi-state employers are testing the waters of these CDHC plans and the HRA accounts. The U.S. Postal Service is the first mega-employer to adopt this new concept.

We will keep you updated to the progress on these types of accounts.

## Q&A

**Q:** One of our employees just dropped his medical coverage for himself, his wife and his dependent children. Should the wife and children be offered COBRA coverage?



**A:** No. Voluntarily dropping coverage is not considered a qualifying event for purposes of COBRA. For spouses, the only qualifying events are the employee's termination of employment or reduction in hours to fewer than the number required for plan participation, divorce or legal separation, the employee's death, and the employee's enrollment in Medicare. For dependent children, these same qualifying events apply, plus one additional event - the child's loss of dependent status under the plan's terms of maximum age, usually 19 or to age 23 or 25 if a full time student.

## Ameriben Alliances:

Offering great services and discounts to Ameriben clients! You can ask your Ameriben Agent or call directly - just be sure to identify yourself as an Ameriben client!



Discount payroll services and more!  
Contact Mike Muscatello at  
(860)635- 2444 Ext. 35.

## McCutcheon Burr & Sons

The Worksite Benefits Program may save your employees time and money on auto, home, boat, condo and renters insurance. Call Claire Catalano at 860-343-9025 x32 or your Ameriben agent.

## Administrative and Service Office

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### Our Service Team

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“Not everybody could be famous but everybody can be great, because greatness is determined by service.”

- **Martin Luther King, Jr.**

“We are always striving for greatness. If there is anything we can do to improve our service to you, please let us know.”

- **Kelly**

## Member Sales Offices

### **KGS Insurance Services, LLC**

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