CASE STUDY

HELPING AN AUTO PARTS MANUFACTURER REMAIN HEALTHY IN AN ERA OF SHRINKING PROFIT MARGINS

CLIENT

A large family owned automotive manufacturer

SCENARIO

A large family-owned automotive manufacturer based in California has enjoyed 75 years of success. However, due to increasing pressure from cheaper overseas competition and medical inflation, profit margins were shrinking year over year. Its fully funded health insurance plan was getting more expensive for the company and its employees. The organization was looking for ways to relieve its increasing financial pressure and was savvy enough to look at health insurance options as a way of achieving its goal. A more affordable health plan would also help the company address another important objective – attracting and retaining top employees. The CEO called upon Bryson for an alternative solution.

SOLUTION

Bryson provided a solution that would reduce costs for their 215 enrolled employees and additional family members, while at the same time improving coverage and care. Bryson placed the company into a self-insured risk sharing group captive. The initial proposal calculated savings of 3-5%, which would equate to approximately $130,000 per year, but when the program was implemented, savings far exceeded predictions and expectations.

AT A GLANCE

29% FIRST YEAR SAVINGS
$12 LOWER PEPM
$1,743,315 FIVE-YEAR SAVINGS

Outcome

29% FIRST-YEAR SAVINGS

- The group captive reduced the company's costs from $2,186,451 to $1,537,454. That's $648,997 in savings in the first year alone.

LOWER PEPM SPEND

- The outside the box thinking allowed the company to lower its Per Employee-Per-Month spend by $12 over five years.

LONG-TERM SAVINGS

- In four of the five years that the employer has been with Bryson, its health insurance spend has been significantly lower than it had been with the fully insured option. Using a 2% trend, the company saved $1,040,772 over that time span. Using a 6% trend, it saved $1,743,315.

PRICE STABILITY

- Savings for the employer meant they didn't have to pass any increases on to its workers. With Bryson's solution, co-insurance, co-pays, and deductibles have all remained the same