LIAZON
IMPLEMENTATION
KIT

Private Exchange Implementation

# PLAYBOOK

# Success starts with a great game plan.

Congratulations! Your company's made a great decision to provide benefits in a whole new way. Your employees are star players and now, they'll know how much you value them.

In this Kit, we'll review the implementation process for your Exchange and what to expect at every stage of the game – so that you can knock it out of the park.

Let's start by building your company's very own benefits portal. You can count on us to give you hands-on support throughout implementation – we'll be there to provide you with guidance and tools to ensure a smooth and efficient rollout.

Now, let's play ball…

## The Teams

# We’ve got your back.

The Liazon team provides total support throughout the implementation process. We're experts at what we do and we're here to help with any questions or concerns you may have along the way. We've assembled a strong bench: you'll meet some of our best players on our upcoming Kickoff calls, including your:

**Implementation Project Manager –** Your dedicated Implementation Project Manager will manage and oversee all aspects of your Exchange's implementation. In addition to hosting scheduled calls, your Implementation Project Manager is available via phone or email throughout the entire process. (See the Player cards in your Implementation Kit for their names and stats).

**Client Service Manager –** Your Client Service Manager will manage your account post-implementation, focusing on technology and administration, and will work directly with you to maintain ongoing satisfaction.

**Support Teams –** From our Configuration Team and data transmission experts to our Partnership Team and Employee Advisors, we have a deep roster of experienced professionals to ensure not only a smooth implementation, but ongoing support for your Exchange.

The Exchange Experience

# A win-win proposition.

Your Exchange is an online store in which employees and their families can shop for benefits that best fit their needs. Shopping for benefits this way has advantages for both you and your employees.

## Advantages for you (the Employer):


### Predictable benefits costs

Through your Exchange, your company can give employees a set amount of dollars to spend as they please on a menu of benefits options. So you can accurately plan this key part of your budget for this year and years to come — avoiding the potential volatility of traditional benefits costs.

### Streamlined benefits management

Now you can consolidate and simplify administrative tasks for all your benefits under one platform.

### Higher employee satisfaction

When employees have transparency in regard to their benefits dollars, they recognize your contribution to their wellbeing and financial protection. And they'll appreciate the freedom and choice offered by a private exchange model.

## Peace of mind

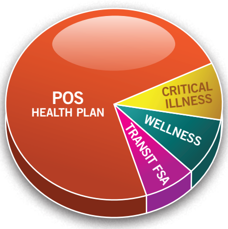
You will receive end-to-end administrative support, just as your employees receive complete customer support. Knowing they're taken care of means you can get on with the other business of your day, besides benefits.

# Advantages for employees:

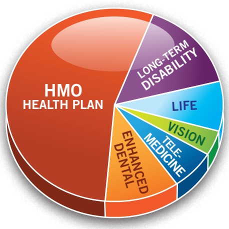
## Customized, comprehensive coverage for better protection

Medical coverage alone does not address the full range of employees' potential risks. That's why your Exchange is set up to help each individual assemble a benefits portfolio designed to address his or her unique set of risks for more complete protection.

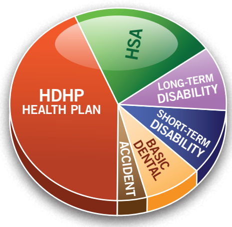
Tom - Married/Smoker




Sharon - Married/2 Kids




Aparna - Single/Tight Budget




## Control over a personal decision

When employers pick plans, they can't take into consideration personal information such as health history, intent to have a baby, wealth, or expected health care utilization. These are private matters that should remain private, as only individuals can know the important factors that determine what type of protection is right for them.

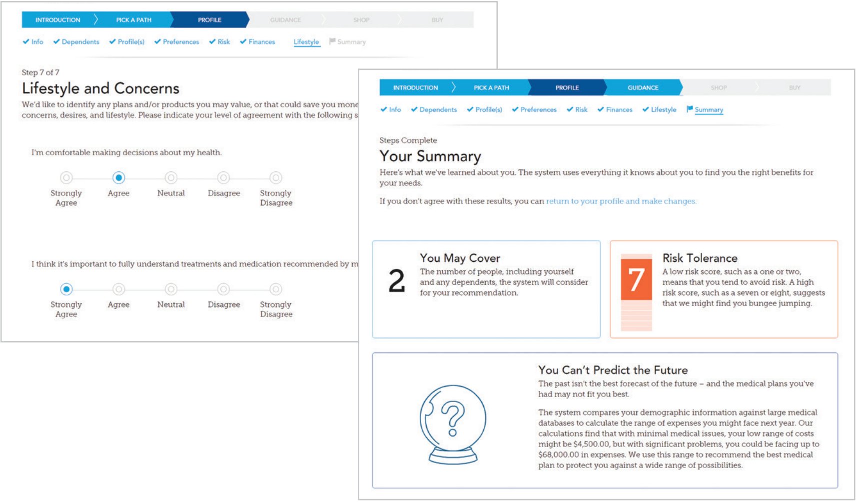
### Better engagement in their health care decisions

When employees choose their own benefits, they understand them better and use them more wisely. Your Exchange guides them to purchase the benefits they want quickly and conveniently, and provides educational resources without insurance jargon to help engage them further.

## It's a whole new ballgame.

### Your exchange recommends a unique portfolio of plans for each person or family based on their health, wealth, personality, and lifestyle.

Employees fill out a simple questionnaire based on their needs. The system then recommends a unique portfolio of benefits based on their inputs. Employees can fill their shopping cart with these recommended products, or they can choose their own.

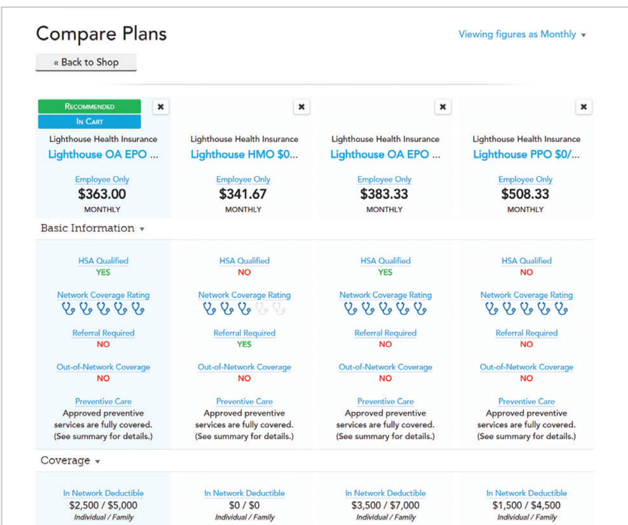


## Employees can see how much their employer is contributing toward their benefits, which helps them to understand and value your company's contribution.

The money your company is contributing is transparent to your employees. Throughout the Exchange experience, they can see your contributions and what they owe out of their paychecks.

## Your Exchange makes it easy and enjoyable for employees to shop for the best benefits for them.

Straightforward decision support tools help to call the shots. Comprehensive education, including videos, articles, side-by-side plan comparisons, and a glossary of terms are designed to teach employees not just about what their benefit options are, but how to think about insurance overall.




## When they're comfortable with their selections, it's time to check out and buy.

## What Will Change

# Prepare for a winning season.

We understand change can be challenging, so here are some key concepts to keep in mind as we enter the implementation phase together:

### Employer funding

Defined contribution is the funding strategy many companies will use to offer each employee a set amount of money with which to purchase benefits on an Exchange. The amount of defined contribution is determined prior to the portal build. Employees will see the full cost of those benefits as they are making their purchases, so they can make informed decisions and understand what they are responsible for covering.

### Payroll

A defined contribution approach to benefits has an impact on payroll. This means you will need to account for the defined contribution as compensation. In addition, your employees have many more choices on your Exchange, so you may need to accommodate more deduction fields in your payroll system for the new benefits you're offering (e.g., Critical Illness, Accident insurance, etc.).

Your Exchange operates on a different benefits model, so payroll reporting is different, too. With your Exchange, your employees' pay stubs will show full premiums, along with your contribution. Our team will provide guidance on your payroll processes to ensure a smooth transition.

Add a "Defined Contribution" to Earnings

Deduct all Pre-Tax Deductions (the full premiums of Section 125 coverages)

Sample Pay Stub

**Hours and Earnings**

| Description | Rate | Current Hours | Current Earnings | YTD Hours | YTD Earnings |
|---|---|---|---|---|---|
| Regular Salary | | 80.0 | 2125.00 | 80.0 | 2135.00 |
| Defined Contribution | | | 250.00 | | 250.00 |
| Totals: | | 80.0 | 2375.00 | 80.0 | 2375.00 |

**Pre-Tax Benefits**

| Description | Current | YTD |
|---|---|---|
| Medical | 566.28 | 566.28 |
| Totals: | 566.28 | 566.28 |

**Taxes**

| Description | Taxable Earnings Current | Taxable Earnings YTD | Taxes Withheld Current | Taxes Withheld YTD |
|---|---|---|---|---|
| FIT | 1808.72 | 1808.72 | 310.68 | 310.68 |
| MEDICARE | 1808.72 | 1808.72 | 40.73 | 40.73 |
| SS | 1808.72 | 1808.72 | 117.97 | 117.97 |
| (NY) SDI | 2375.00 | 2375.00 | | |
| (NY) SIT | 1808.72 | 1808.72 | 149.21 | 149.21 |
| Totals: | | | 618.59 | 618.59 |

**After-Tax Deductions**

| Description | Current | YTD |
|---|---|---|
| Dependent Life | 1.41 | 1.41 |
| LTD | 8.44 | 8.44 |
| Life Ins | 7.60 | 7.60 |
| Supp Life Ins | 1.90 | 1.90 |
| Totals: | 19.35 | 19.35 |

Apply Applicable Taxes to Remaining "Taxable Earnings"

Deduct all Post-Tax Deductions (the full premiums of remaining coverages)

## Billing

Liazon will consolidate the majority of premium invoices into one bill for your company, which facilitates greater administrative efficiency and simplicity. Employers typically receive two bills going forward – one from Liazon for ancillary carriers, and one from the medical carrier.

We've included a Sample Invoice (under "Employer Reference Tools" on your "bat" flash drive) to see how each line of coverage will be invoiced and paid. We'll review the billing process in more detail together in our Kickoff call.

## Communication with carriers

Your Exchange operates as the benefits system of record (excluding COBRA and retirees), communicating information with carriers electronically. Employees can process their address changes and life events directly through your Exchange; we will then transmit these updates to the relevant carriers through an electronic file feed. With new hires and terminations initiated directly through your Exchange, you don't have to contact each insurance carrier separately.

## The Kickoff Call

# Time to play ball.

Here's what we'll cover in our Kickoff calls to get the implementation process started:

- First, we'll introduce you to your Liazon support team, discuss the major implementation steps, roles, and responsibilities, as well as confirm the eligibility, benefit, and funding information we'll need to build your company's portal.
- On a second call, we'll cover carrier paperwork and installation, HSA/FSA administration, COBRA administration, portal access, payroll, billing, and ongoing servicing.
- If your company will use a custom payroll deduction file feed, there will be an additional call dedicated to payroll.

You'll need to assemble an implementation point person or team to work with us over the course of the implementation process. We recommend having a payroll and an IT team member available for the calls; other team members may be involved at your discretion. Note that your implementation team members can play multiple roles.

Open Enrollment

# Getting everyone in the game.

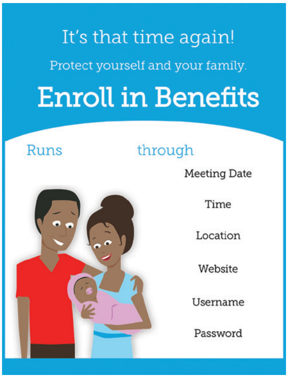
At this point in the game, Open Enrollment is fast approaching. Batter up!

During Open Enrollment, your Exchange will guide each employee through the election/purchasing process, providing them with extensive education and decision support. Use this opportunity to prepare your employees for the new experience this year.

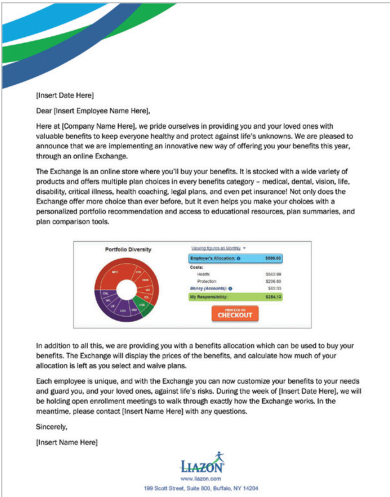
Here are a few Open Enrollment "To Do's" for you to keep in mind to make sure you score a home run:

## Communicate Open Enrollment to your employees

It's important to introduce employees to this new way of buying benefits while building awareness and excitement for enrollment. To make this easier for you, we suggest using our template materials, including an array of enrollment poster templates to hang in the office, email templates, a welcome letter, and more. (You can find these materials on the enclosed "bat" flash drive.)




Open Enrollment Poster



[Insert Date Here]

Dear [Insert Employee Name Here],

Here at [Company Name Here], we pride ourselves in providing you and your loved ones with valuable benefits to keep everyone healthy and protect against life's unknowns. We are pleased to announce that we are implementing an innovative new way of offering you your benefits this year, through an online Exchange.

The Exchange is an online store where you'll buy your benefits. It is stocked with a wide variety of products and offers multiple plan choices in every benefits category – medical, dental, vision, life, disability, critical illness, health coaching, legal plans, and even pet insurance! Not only does the Exchange offer more choice than ever before, but it even helps you make your choices with a personalized portfolio recommendation and access to educational resources, plan summaries, and plan comparison tools.



In addition to all this, we are providing you with a benefits allocation which can be used to buy your benefits. The Exchange will display the prices of the benefits, and calculate how much of your allocation is left as you select and waive plans.

Each employee is unique, and with the Exchange you can now customize your benefits to your needs and guard you, and your loved ones, against life's risks. During the week of [Insert Date Here], we will be holding open enrollment meetings to walk through exactly how the Exchange works. In the meantime, please contact [Insert Name Here] with any questions.

Sincerely,

[Insert Name Here]

LIAZON
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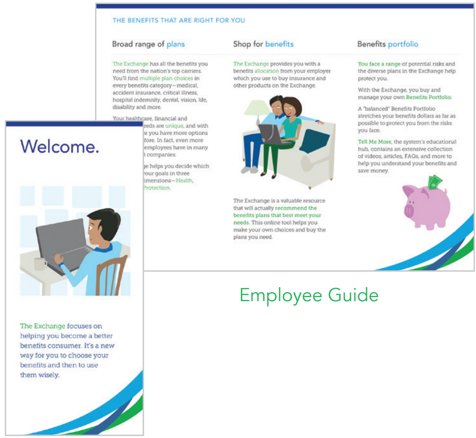
Welcome Letter




Employee Guide

## Hold Open Enrollment meetings

We highly recommend you hold meetings starting no later than one week before the Open Enrollment period begins to introduce your employees to the Exchange experience, how to log on to their accounts, etc. Begin to familiarize them with how your Exchange works and the educational resources they'll be able to access. You can even hold webcast meetings to reach more employees at once.

## Announce enrollment dates

You may choose to have Liazon send a welcome email to employees containing their log on credentials at the start of Open Enrollment, or you can send your own notification. Before Open Enrollment closes, system-generated email reminders can also be sent to employees who haven't yet enrolled. Once they complete enrollment, employees will receive a confirmation email.

## Monitor enrollment progress and post-enrollment activity

You can access enrollment progress updates through your Employer Administrative Portal (see next section) and can even override employee elections, if necessary.

Once enrollment closes, Liazon takes it from there, processing elections and communicating directly with carriers.

Post enrollment, employees have access to your Exchange 24/7/365 to view their benefits selections, plan details and summary information; initiate a life event; and more. Employees can also update their profile information at any time. You will be notified of any continued activity on your Exchange via the Employer Administrative Portal.

## Employer Administrative Portal

# You're the Manager. Right from your desk.

The Employer Administrative Portal allows you to seamlessly manage and administer employee benefits directly from your Exchange.

### Through the Employer Administrative Portal, you can:

- View employees' elections
- Initiate new hires and terminations
- Review employee-submitted life events
- Access reports
- Access individual confirmation statements
- Access a training video and an employer "How to" handbook
- Download a printable store catalog
- View your support team's contact information

Knowing how to navigate the Employer Administrative Portal will help to ensure your company's success with the Exchange, so we've created a webcast series to provide ongoing opportunities for training. Stay tuned for invitations to upcoming webinars.

You can also catch a sneak peek of the Employer Administrative Portal in the demo video we've included on the enclosed "bat" flash drive.

# Remember,
# We've got your back.

As with any great ball club, you have a skilled team behind you to help you succeed. At any time, you can contact your designated Implementation or Client Service Manager with any questions. We understand that this is a new process for you and we want you to rely on our experience. In addition, we've also supplied you with helpful tools on the enclosed "bat" flash drive. So, step up to the plate, swing the bat, and have a successful implementation and a winning season.

## Flash drive documents – employee communication tools

Communications Guide: A catalog of the employee communication tools available to you

Email Templates: Text you can use to send your own emails to make employees aware of Open Enrollment and get them excited about using your Exchange

Open Enrollment Poster Templates: PDFs you can use to advertise Open Enrollment meetings and key dates

Welcome Letter Template: Letter you can use to announce Open Enrollment and introduce the concept of an online benefits "store"

What Benefits Cost Brochure: Document you can use to explain the concepts of "defined contribution" and "cost transparency" to employees, and guide them to resources within your Exchange for more information

## Flash drive documents – employer reference tools

Employer Administrative Portal Demo Video: Provides an overview of the tools and support resources you'll use to help manage your company's employee benefits

Payroll and Defined Contribution Brochure: Explains in more detail what defined contribution is, how it works with your payroll system, and how the transparency of defined contribution helps your employees understand their benefits

Employer Handbook: Provides step-by-step instructions for administrators on "How to" use the Employer Administrative Portal

Sample Invoice: An example of the monthly invoice that includes plan- and employee-level detail