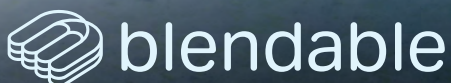


Secrets of the **Insurance Industry**

We peel back the curtain and
give you the straight truth on
how to make the best choices
for your group benefits.



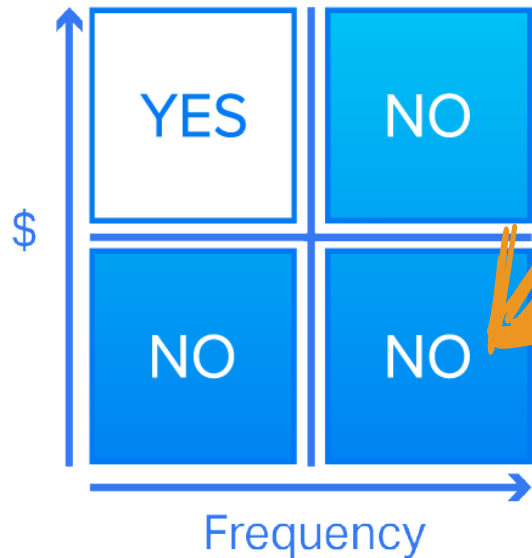
Sometimes "insurance" doesn't make sense

Around here, we throw around the term transactional benefits a lot. That means benefits that follow a money-in, money-out basis and are covered by premiums paid by a group rather than a huge pool of groups.

Health and dental insurance is a perfect example. Expenses are high-frequency, low cost. We expect them to happen, and they pose low risk. "Insuring" health and dental is not really insurance at all. It's just paying the insurance company to pay claims.

Because they're transactional and paid from your bill, as your team makes claims, the insurance company will raise your premiums. Your costs go up (and they rarely go down).

*Should this be insured?
Health and dental expenses
are low risk, high frequency.
They're transactional benefits
and shouldn't be insured.*



True insurance is when you pool together a huge number of people and they all pay a small premium in case something tragic happens to any one of them. It protects against catastrophic, high-cost events.

So, what's a savvy business owner to do? Find a way to pay for your team's health and dental expenses with a low cost to pay claims. Self-insuring or Health Spending Accounts both come with reasonable admin fees.



You're getting charged \$2 for every \$1 of claims

You should have transparency in your bill !

Now that you know health and dental coverage is really a transactional benefit, you know that however you approach it you're just paying a company to pay claims.

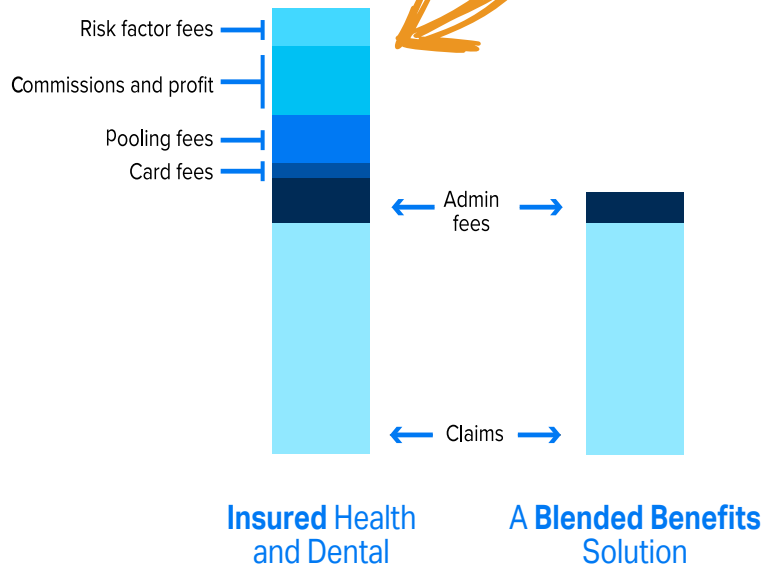
Insurance companies are sneaky. They often swoop in promising low rates, then raise the premiums each year to recoup their costs (remember – rates go up, they rarely go down).

Group benefits providers need to get paid too, but they should be honest in how much you're paying for the service they provide.

The insurance companies like to set a "Target Loss Ratio" – the percentage of every dollar in premiums used to pay claims.

50% of every dollar goes to paying claims = We're charging you a 100% admin fee

Because you're paying premiums, they can pile on hidden fees. Pooling, card fees, risk factor fees, it's ridiculous.



When you change the model to
 $\text{Cost} = \text{Claims} + \text{Admin Fee}$
you know exactly what you're paying.

You aren't in total control of your costs

*Claims may fluctuate,
but premiums always
increase*



When you use an insurance company for health and dental benefits your costs are rising, and they aren't stopping.

When the insurance company sets your premiums for year one, it probably seems rosy. After all, everyone thinks they'll claim more than they pay.

Fast forward to year two. Now the insurance company has an idea of how many claims to expect. They'll hike your premiums to recoup their costs faster than you can say "I should have listened to Blendable."

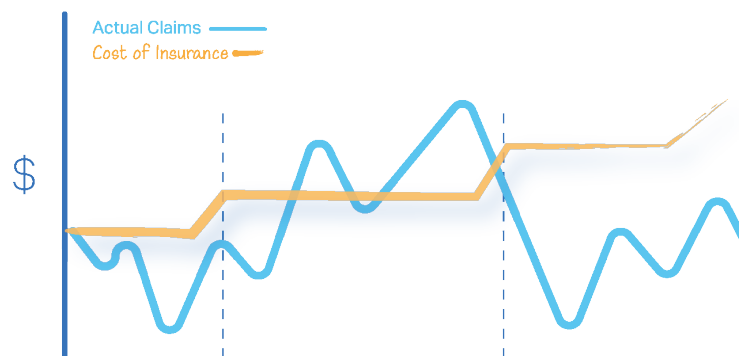
The worst part is, even if your team claims less next year your premiums won't go down!

You've got two choices:

1. Stick it out and find a way to pay more each year.
2. Shop around for a new plan. So begins a vicious cycle of cheap proposals followed by expensive renewals.

Good news, you do have a third choice!

You can choose a plan like a Health Spending Account that puts you in the driver's seat. When you set the budget, you can keep your costs under control.



Insured plans weren't designed for high-cost drugs

What if someone gets sick?

If we had a nickel for every time we've heard this question...

Health and dental coverage is often marketed through scare tactics. Surely, if one of your team members needs high-cost drugs you'd want insurance to cover it.

Wrong again.

Remember, insured health and dental plans use your premiums to pay your costs. One large claim can send your premiums through the roof. Take it from the fine folks at Canada Life:

"I don't think any employer envisioned a drug that costs hundreds of thousands of dollars annually on a recurring basis. Our benefit plans were not designed for that..."

*Canada Life Representative,
2021 Sanofi Canada Healthcare Survey*

Government programs are better than you think

Every province has programs to help Canadians offset the costs of their prescriptions. They include many high-cost drugs and can be less expensive than claiming through group benefits.

Pharmaceutical companies offer assistance programs

Assistance for high-cost drugs is also provided by drug manufacturers. They want to sell their product, and may work with your doctor to get you the medications they manufacture at a discount.



Plan members end up paying more



Insured health and dental coverage seems like a good deal. You hear “80% of your costs are covered” and dream about the money you’ll save.

But consider the story on the right of someone who thought they were saving money thanks to their group benefits coverage.

This happens all the time. Individuals think they’re getting a deal but pay more out of pocket.

On top of this, insured health and dental often have service maximums. What happens when you reach your maximum for massages and are out-of-pocket for the rest? Those premiums go down the drain.

A young man was excited to use his new massage benefits. He paid 25% of the healthcare premiums and his employer paid the rest.

The employee paid **\$1,125** per year for his share of his healthcare premiums.

What would he have paid for a year’s worth of massages? Only **\$720**...

Adding in his employer’s portion of premiums, this employee gave up \$4,500 in compensation for \$720 worth of massages!

Sure, he would have claimed other health and dental expenses over the year. Unless he claimed \$4,500, he still wasn’t seeing the value of his benefits.

Give your team a plan with no limits

Give your team a competitive compensation package that provides the flexibility to use their benefits how they like, when they like. It’s possible with a Health Spending Account.



The Blended Benefits Alternative

Say hello@blendable.ca !
and learn more about how
the insurance industry pulls
the wool over your eyes.

By now we hope you get it:

Health and dental coverage through an insurance company is a bad deal for your company and your team. But there's an alternative!

Blended Benefits put you back in the driver's seat. They treat health and dental costs as transactional benefits and simplify the equation to:

Claims + Admin Fee = Total Cost

*Yup. That's it!
Easy peasy.*

Your team gets complete flexibility in their benefits. You get complete cost control.

Even better – you can blend in true insurance coverage where it makes sense. Life, illness, accident, and disability coverage all give your team the peace of mind they deserve.

Want to hear more? We'd love to talk to you. Email us at hello@blendable.ca to take the next steps in your group benefits journey!





blendable

made for you



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