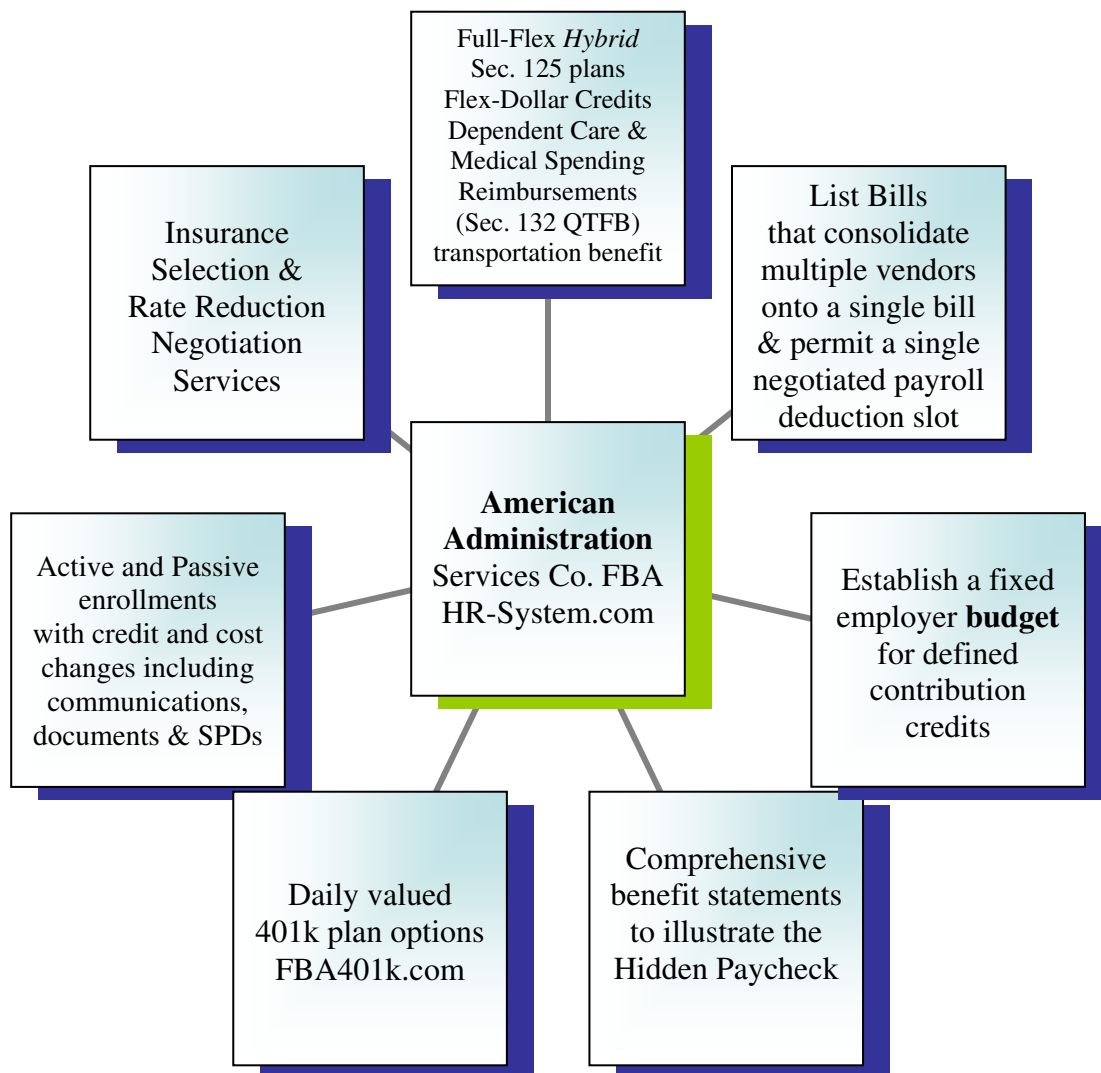


American Administration Services Co.

Please allow us to prepare a complimentary comprehensive Cost Recovery Analysis for your CEO or CFO

Many large employers control costs by budgeting contributions via flex-dollar credit plans. Our flexible defined contribution plan design enables you to lock into your current benefits budget (or establish an alternative budget) as large employers have done for years (IBM & Delta). We protect employers from escalating costs by locking into a defined contribution commitment that will not change as rate creep hits your plans. Your Flexible Benefit Credit Formula is custom designed and can be flat, tiered to family status, class, years of service and more. This is absolutely the safest, most proven "DC Style" benefit design using single or multiple health options (PPO, HMO, Indemnity, Budget or Opt-Out Cash, etc.), multiple insurance companies and provider networks for maximum flexibility & control. We mesh benefit flex-dollar credits with pre & post-tax benefit elections, vacation buy/sell, etc. into one smooth enrollment & administration process using a single enrollment form for a 401k style **"Defined Contribution Plan"**.



We deliver benefits "outsourcing solutions" designed to meet your specific objectives

"Outsourcing" recordkeeping, administration and data maintenance responsibilities to AASC improves communication and total service while reducing your overall costs and time commitments.

Our mission statement is unequivocal: Lower your expense and simplify your life!

401(k) *style* Defined Contribution Health Plan (DC plan)

We offer multiple health-plan options & flexibility. Our *DC Plan* concept allows you to control & budget exact contribution dollars, similar to a 401(k). You provide a set amount of pre-tax cash for the employee to use in purchasing benefits (these contributions are excluded from FICA/FUTA and reduce your payroll tax burden!)

We establish core and optional benefit plans including but not limited to: medical, dental, vision, long & short term disability, employee & dependent life, AD&D, LTC, legal, vacation buy/sell, medical spending, dependent care and 401(k) elections.

We provide single-point premium billing administration to simplify the collection, reconciliation and disbursement of group and voluntary premiums. We generate a single clearing-house style bill for multiple products and carriers to reduce the burden on sponsoring organizations (employer, union or association).

➤ **Can we adopt this DC Plan *design* concept now, even though it is Mid-Year?**

Yes! → *Changing Health-insurance carrier(s) is NOT Required!* We can redesign the plans & establish a budget without disrupting your current contracts. We deliver communications and employee education enabling you to immediately lock-into a fixed benefits budget to gain control over plan costs. Bottom line: No insurer change required and you do not have to wait (on specific dates, renewal or other!)

➤ **If desired, can we change *insurers* Mid-Year?**

Yes! → Health-plan providers have a way of surprising employers. Rate increases, last-minute provider network changes and administrative difficulties (like not paying claims promptly) can expose sponsors to disruptions like ERISA lawsuits and DOL fines and employee discontent. Automatically renewing contracts often run a year but allow early termination for breach, etc. Most include a 45-day out clause so you can obtain new coverage on 45 days' notice, enabling you to terminate your health plan contract early. Even if you are locked-into a contract, you can immediately adopt our full-flex plan with a positive effect!

Our flexible contribution formulas allow you to allocate flex-dollar credits in many combinations including:

- ✓ Credits to participants in a group based on any or all of the following: a fixed credit to decline coverage, employee only vs. family or employee + dependent credits tiered to specific benefit elections, percentage of salary, years of service and credits to employees related to a health factor i.e., a *smoker surcharge*.
- ✓ Credits based on employee code(s) like: location, division, status, occupation, union or non-union, etc.
- ✓ Credits based upon specific benefit elections. You control which participants are eligible for a benefit and for the credits associated with each benefit.
- ✓ We can also enter an "additional" credit amount into the participant's record to adjust that person's credits for time buy-back minimums or any other requirements.

Our system assigns credits while processing eligibility, calculates the credits for each participant at each level then adds them together to allocate the total credits for each participant. We will suggest the best method for you after we complete your needs analysis and run the financial models to determine your most efficient plan design.

Miles Snowden, director of health services for Delta Airlines, calls FSAs a source of "untapped consumerism" that employers need to examine more closely.

Don't delay, telephone (770)641-3039 ext 3# to schedule a free, no obligation plan review or visit → www.HRsystem.com