

# FMI VOLUNTARY BENEFITS EXCHANGE

*In Alliance with Aflac and Voluntary Benefits Solutions Corp. (VBS)*



**Visit us at  
Booth #3417,  
adjacent to the  
FMI Lounge!**



**With higher health insurance premiums, deductibles, co-payments and out-of-pocket expenses creeping into corporate benefits offerings, FMI has created a unique voluntary program to help your employees handle many of the resulting gaps in medical coverage.**

The program, called the FMI Voluntary Benefits Exchange (VBExchange), is a special new voluntary supplemental insurance program tailored to food retailers, wholesalers and suppliers. Because of the enormous aggregated volume of employee groups associated with FMI's membership, VBExchange, through Aflac and VBS, is able to deliver premium voluntary supplemental insurance products to FMI members at the lowest possible rates.

FMI members determine the benefits they would like to make available to their employees. VBS will then arrange for Aflac's most experienced agents to conduct benefit reviews with individual employees at their workplaces. *Because personal benefit reviews are conducted during business hours, VBS will reimburse employers for the time their employees spend in their reviews.*

As an all-new benefits offering, VBExchange provides FMI members with an economically sensible solution to help their employees reduce personal financial exposure and remain more confident about their futures. Here's how the program works:

## **VBEXCHANGE'S VALUE-ADDED SERVICES AND SOLUTIONS**

From educating your employees about benefits choices to enrollment and administration, VBS works with each member company to customize a program according to the company's needs.

### **National Program with Local Dedicated Service Team**

FMI members have a dedicated Aflac service team available to conduct personal benefit reviews, explain all forms of coverage, assist with claims and follow up to ensure satisfaction and quality. Some individuals on the team are drawn from the FMI members' own local communities.

### **Discounted Rates & Preferential Underwriting for FMI Members**

Aflac and VBS designed the program specifically for FMI's vast membership, so that members receive advantageous pricing, unique underwriting concessions and complimentary services that are not available otherwise. These services include:

- **Special low rates** – an industry code waiver that categorizes FMI-member employees in a lower (most-optimal) product rating class;
- **Guaranteed availability** – Aflac's core products will be available on a special guaranteed-issue basis, and dependent children up to age 26 are enrolled for free; and
- **Higher dollar amounts granted** – amounts granted on Aflac's Critical Illness policy are increased by 33% to 200% over their standard offering, depending on group size.

### **Unique Benefit Package for Permanent Part-Time Employees**

Through VBExchange, permanent part-time employees have access to the same voluntary benefits and corresponding discounted rates and preferential underwriting that full-time staff receive.

**Continue on the back...**

## Personal Benefits Review and Employer Reimbursement

VBS provides certified, dedicated benefits counselors to educate employees in a personalized consultation, to help them choose benefit options that meet their individual needs. FMI members are reimbursed for the time employees spend in their personal benefits reviews.

## Employer Tax Savings

Using IRS Section 125, voluntary benefits can reduce employees' taxable income, thereby reducing employers' share of FICA and FUTA taxes, which can provide significant tax savings for both.

## Affordable Coverage

VBExchange offers a variety of affordable voluntary benefits options that include coverage for disability, accidents, illness, physician visits, hospitalization and critical illness. Since these plans can be pre-taxed, the impact on employee paychecks is a 22% to 35% deduction. In addition, several plans pay cash benefits, on an annual basis, for routine physicals/exams. This puts cash back in the insured's pocket even if their comprehensive health plan covers them.

## Portable and Rate Stable Benefits

Employees pay the same rate for as long as they maintain their coverage, regardless of claims paid. The policies are portable, so employees can keep them at the same rate regardless of change in employment.

## Why Voluntary Supplemental Benefits are So Important Now

As the healthcare market shifted from defined benefit to defined contribution, employees increasingly have been asked to share in rising healthcare costs. With the implementation of healthcare reform legislation, the High Deductible Health plan (HDHP) has become the fastest growing plan.

However, many employees enrolling in this type of plan have not understood the risks they assumed when choosing it. Consequently, the average family has been forced to balance the competing demands of healthcare coverage and day-to-day living expenses, leading many to select policies with out-of-pocket maximums of \$5,000 to \$10,000. (It's interesting to note that this same demographic typically has less than \$1,000 in savings and represents 50% of employees nationwide.) While desperately trying to keep their monthly premiums low, these families have greatly increased their financial exposure by subscribing to plans with higher copays and deductibles. The higher out-of-pocket maximums associated with the plans they chose caused many to avoid seeking the very medical care for which they were insured.

As a result of these rapidly evolving trends, employee-paid voluntary benefits have emerged as a core component of a company's overall benefits package. These benefits provide a timely cost-effective solution to help fill gaps in medical coverage and reduce the financial risks employees accept when enrolling in lower-cost, but higher-deductible, health plan options. While nothing on the voluntary benefits market covers all the common every-day health ailments, VBX comes close by addressing the largest potential threats involving accidental injuries, critical illness, hospital stays and doctor visits, to mention a few.

## Summary

As rising costs of major medical insurance force many companies to decrease staffing, reduce medical plan benefits and increase employee contributions, VBExchange helps employees supplement their benefits coverage in a cost-effective manner. Making voluntary benefits available along with employers' comprehensive medical insurance helps employees reduce their financial exposure. VBExchange is exclusive to FMI members, encompasses a wide range of benefit offerings and comes at no direct cost to the member company. Members are reimbursed for their employees' time and gain access to levels of benefits and pricing not available previously.

**Interested in learning more about this exclusive program?  
Enroll immediately to begin supporting your employees.**

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