

COMPANY OVERVIEW

At AmWINS Group, Inc., our job is to be forward thinking and never simply accept a preconceived answer. That is why independent retailers turn to us. Our Product expertise provides us with unsurpassed market access, allowing us to find insurance solutions when others cannot.

We know there's a better way. And that is why we have become one of the largest wholesale brokers in the country.

DIVISIONS

AmWINS Brokerage

- Wholesale property, casualty and financial products broker
- Broad coverage types
- Complex layered programs

AmWINS Group Benefits

- Wholesale distributor of group health and other benefit products
- Provides full range of related administrative services

AmWINS Underwriting

- Managing general underwriter for specialty P&C insurance programs

Advanced, Centralized Technology Platform

OUR MISSION

Our mission is to deliver a competitive edge to our employees, clients and markets.

QUICK FACTS ABOUT AmWINS GROUP, INC.

- We're one of the largest wholesale insurance brokers in the country.
- We conduct business in over 45 office locations throughout the U.S.
- Our group is comprised of over 1,100 employees, including some of the most seasoned insurance professionals in the industry.
- Our companies combine to produce premiums in excess of \$3.4 billion.

CORPORATE HEADQUARTERS

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AmWINS Group, Inc. (amwins.com) is a wholesale insurance organization dedicated to serving independent retail agents through the United States. With more than 45 office locations, AmWINS represents an impressive cross-section of standard and E&S markets by providing property and casualty, group benefit, and program administrative services through three core divisions - Brokerage, Underwriting and Group Benefits. A leader in the wholesale insurance industry, AmWINS handles over \$3.4 billion in premium placements.

EMPLOYER GROUP WAIVER PLANS

POTENTIAL PROSPECTS

Any employer presently filing for the Retiree Drug Subsidy (RDS), including:

- Private Corporations
- State & Local Government
- Taft Hartley Plans
- VEBA – Section 501(c) (9)
- Church Organizations – 501(c)(3)

THE OPPORTUNITY

How you can deliver immediate savings:

- Potential 35% savings off RDS
- Fees associated with obtaining RDS are no longer tax deductible
- Able to put write-downs back on balance sheet
- More aggressive calculations for FASB/GASB

BACKGROUND:

Effective January 1, 2013, the Retiree Drug Subsidy (RDS) will be taxable, eliminating the 28% tax break companies have been receiving from the federal government. For employers with Medicare-eligible retirees, this will significantly increase their FAS 106 liabilities, as this impacts their post retirement benefit obligations. AmWINS Group Benefits can provide you with the EGWP solutions you need to help your clients through the tough decisions they will need to make concerning their RDS liabilities.

Three of the largest write-downs are listed below, however all companies felt a similar impact, relative to their size.

- | | |
|-------------------------------|---------------|
| • AT&T Inc | \$1 Billion |
| • Verizon Communications Inc. | \$970 Million |
| • Boeing Co. | \$150 Million |

VALUE PROPOSITION

- Maintain current benefit and contribution option
- No additional expense for costs associated with RDS compliance
- Simplified administration and reporting
- Maximized Medicare D government contribution
- Maximizes flexibility in regard to contribution option

AmWINS Rx Pharmacy Management

Traditional PDP vs. PDP with Self-Funded Wrap Options

In order to take advantage of the Medicare capitation payment (approximately \$53.80 PMPM in 2010) many employers are choosing a fully insured PDP and adding a Self-Funded Wrap. This wrap can cover all or part of the gaps in the Base PDP plan while providing the lowest net cost to the employer. This method is seamless to the participant via the use of one ID card and no need for additional administration.

There are multiple plan designs and offerings for the self funded wrap. What follows is a comparison between the Base PDP and one example of the Base PDP with a Self-Funded Wrap.

Traditional PDP vs. PDP with Self-Funded Wrap				
Plan Levels:	Deductible	Initial Coverage Level	Doughnut Hole	Catastrophic
Thresholds:	\$0 - \$310	\$310 - \$2,830	\$2,830 - \$6,440	\$6,440 and up
Cost Share for Traditional PDP	100% Paid By Member	75% Paid By Plan Sponsor	100% Paid By Member	95% Paid By Plan Sponsor
		25% Paid By Member		5% Paid By Member
Cost Share for PDP with Self-Funded Wrap	80% Paid By Employer	75% Paid By Plan Sponsor	80% Paid By Employer	95% Paid By Plan Sponsor
	20% Paid By Member	20% Paid By Employer 5% Paid By Member	20% Paid By Member	5% Paid By Member

Indicates percentage paid by Plan Sponsor.

Indicates percentage paid by Member.

Indicates percentage paid by Employer when electing a Self-Funded Wrap.

This one of many strategies that AmWINS Group Benefits can help your clients meet their retiree Rx needs with products including Self-Funded EGWP, enhanced insured PDP plans and basic PDP plans.