

# CASE STUDY: Demystifying Employee Benefits



## Credit Union Journey



*\$820 million assets  
221 employees  
Salem, OR*

### Executive Summary

Maps Credit Union was experiencing the effects of not being able to compete for top talent because of the lack of a robust and affordable benefits package for its employees and their family members. So, they decided to do something about it.

### Challenges

Prior to moving their benefits consulting work to CU Benefits Alliance, Maps was floundering year after year with no control of their benefits expense. Their medical plan was fully-insured and they were allowing the insurance carriers to manage their benefits strategy in a way that was neither cost effective nor innovative.

Maps wanted to become better educated around risk management strategies that would enable them to create a longer term approach to benefits cost containment while offering a rich suite of benefits to its employees

## How CU Benefits Helped

CU Benefits Alliance provided the credit union with the appropriate education, in a way that was easy to understand, allowing the credit union to migrate from a fully-insured medical plan to a partially self-insured plan. This provided a means for the credit union to only pay for medical claims as they occurred rather than in advance, as they were doing in the past.

Along with changing to a partially self-funded plan, CU Benefits helped Maps implement a long-term wellness strategy to get more employees active in better nutrition, exercise, relaxation, and social activities. An online/mobile gamification app was launched, allowing employees to keep up with personal wellness challenges, as well as, competitions with co-workers and even other credit unions. The whole idea was to make gradual, positive changes in employee's lives. This led to lower utilization of healthcare benefits and happier employees.

## Results and Future Plans

Just by changing the funding strategy, the credit union was able to reduce their annual benefits expense by approximately \$150,000. About \$1,000 per employee per year. This freed up funds, allowing them to

reduce the cost of dependent coverage and offer additional wellness incentives to lower employee contributions.

The next phase Maps is tackling, deals with ways to reduce some of the larger fixed cost components of their health benefits spend. One of these fixed costs is stop-loss insurance. Inside every health plan is stop-loss insurance. And, it is pricey. Stop-loss insurance is in place to protect the employer and/or the underlying insurance carrier from large losses. To address this large fixed cost, CU Benefits has created a captive, medical stop-loss option for credit unions. This allows groups like Maps to purchase stop-loss insurance from a company where they can share in the unused premium. This is advantageous because credit unions are generally considered a "healthy population" and very profitable for stop-loss insurance companies. Now, Maps will have the opportunity to share in that profit and get a portion of the stop-loss premium back.



*“The ROI from being part of CU Benefits Alliance has been outstanding.”*

*-Mark Zook, CEO  
Maps Credit Union*

*CU Benefits Alliance is a Credit Union Service Organization (CUSO) designed to meet the employee benefits, insurance and risk management needs of credit unions wishing to take control of the increasing challenges to provide affordable, sustainable healthcare coverage for employees.*  
[www.cuBenefitsAlliance.com](http://www.cuBenefitsAlliance.com)