



TwinStar Credit Union

Saved \$953,000

18% Cost Reduction

TwinStar Credit Union

In 1938, 15 teachers joined together to start what is now know as TwinStar Credit Union. Based out of Lacey, Washington, they have expanded with locations throughout Washington and Oregon.

With over 340 employees and unsustainable healthcare costs from their fully insured carrier, TwinStar needed another solution - one that reduced costs without sacrificing benefits.

3-Year Cost and Savings Breakdown for TwinStar Credit Union

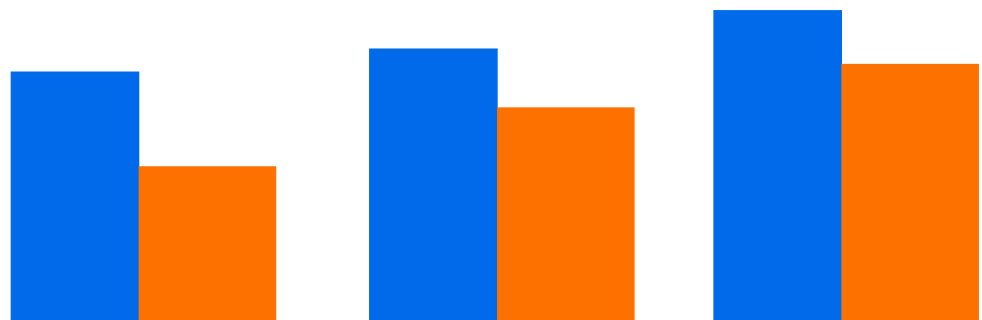
Over \$934

**Saved Per Employee
Per Year**

Year 1

Year 2

Year 3



Prior Plan Cost

\$1,726,305

\$1,798,700

\$1,875,295

CU Benefits Cost

\$1,328,130

\$1,516,300

\$1,602,825

Savings

\$398,130

\$282,400

\$272,470

Challenges

Prior to moving their benefits consulting work to CU Benefits Alliance, Twinstar was struggling year after year with no control of their benefits expense. Their medical plan was fully-insured and they were allowing their insurance provider to manage their benefits strategy in a way that was neither cost effective nor innovative. Twinstar wanted to create a long-term benefits strategy that would lead to cost containment while offering a rich suite of benefits to its employees.

How CU Benefits Alliance 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 change provided a means for the credit union to begin paying 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 Twinstar 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

In the first three years, the credit union was able to reduce their annual benefits expense by approximately \$953,000. About \$1,000 per employee per year reduction. This has freed up funds, allowing them to reduce the cost of dependent coverage and offer additional wellness incentives to lower employee contributions.

Future Plans

With the help of CU Benefits, Twinstar's HR team plans to work on 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 Twinstar 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, Twinstar will have the opportunity to share in that profit and get a portion of the stop-loss premium back.

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