



The Benefits Budgeter™ Worksheet

Your Results (Simplified Format)

Many of you are now budgeting for your group benefit costs for 2012. Along with our 2012 Benefit Budgeter, we have also included a worksheet to further assist you in budgeting for your future benefits.

This worksheet will provide you with a basic calculation only and does not take into consideration your previous claim history, employee demographics, credibility, underwriting method, carrier, or other factors which may alter the final results.

Determining your increase for Extended Health Care benefits

| Example | Worksheet |
|---|--|
| <p>Step #1 (Collect the required information)</p> <p>Premiums Paid <input type="text" value="\$60,598"/></p> <p>Incurred Claims <input type="text" value="\$43,659"/></p> <p>Break Even <input type="text" value="77.60%"/></p> | <p>Step #1 (Collect the required information)</p> <p>Premiums Paid <input type="text"/></p> <p>Incurred Claims <input type="text"/></p> <p>Break Even <input type="text"/></p> |
| <p>Step #2 (Determine your loss ratio)</p> <p>Incurred Claims <input type="text" value="\$43,659"/> ÷ Premiums Paid <input type="text" value="\$60,598"/></p> <p>Loss Ratio = <input type="text" value="72.05%"/></p> | <p>Step #2 (Determine your loss ratio)</p> <p>Incurred Claims <input type="text"/> ÷ Premiums Paid <input type="text"/></p> <p>Loss Ratio = <input type="text"/></p> |
| <p>Step #3 (Determine your proposed increase)</p> <p>Loss Ratio <input type="text" value="72.05%"/> – Break Even <input type="text" value="77.60%"/></p> <p>= <input type="text" value="-5.55%"/> + Trend Factor <input type="text" value="14.90%"/></p> <p>Proposed Increase = <input type="text" value="9.35%"/></p> | <p>Step #3 (Determine your proposed increase)</p> <p>Loss Ratio <input type="text"/> – Break Even <input type="text"/></p> <p>= <input type="text"/> + Trend Factor <input type="text" value="14.90%"/></p> <p>Proposed Increase = <input type="text"/></p> |



Determining your increase for Dental Care benefits

| Example | Worksheet |
|--|---|
| <p>Step #1 (Collect the required information)</p> <p>Premiums Paid <input type="text" value="\$41,896"/></p> <p>Incurred Claims <input type="text" value="\$36,591"/></p> <p>Break Even <input type="text" value="77.60%"/></p> | <p>Step #1 (Collect the required information)</p> <p>Premiums Paid <input type="text"/></p> <p>Incurred Claims <input type="text"/></p> <p>Break Even <input type="text"/></p> |
| <p>Step #2 (Determine your loss ratio)</p> <p>Incurred Claims <input type="text" value="\$36,591"/> ÷ Premiums Paid <input type="text" value="\$41,896"/></p> <p>Loss Ratio = <input type="text" value="87.34%"/></p> | <p>Step #2 (Determine your loss ratio)</p> <p>Incurred Claims <input type="text"/> ÷ Premiums Paid <input type="text"/></p> <p>Loss Ratio = <input type="text"/></p> |
| <p>Step #3 (Determine your proposed increase)</p> <p>Loss Ratio <input type="text" value="87.34%"/> – Break Even <input type="text" value="77.60%"/></p> <p>= <input type="text" value="9.74%"/> + Trend Factor <input type="text" value="7.80%"/></p> <p>Proposed Increase = <input type="text" value="17.54%"/></p> | <p>Step #3 (Determine your proposed increase)</p> <p>Loss Ratio <input type="text"/> – Break Even <input type="text"/></p> <p>= <input type="text"/> + Trend Factor <input type="text" value="7.80%"/></p> <p>Proposed Increase = <input type="text"/></p> |

Determining your overall benefits increase

| Example | Worksheet |
|---|---|
| <p>Step #4 (The overall impact)</p> <p>Health</p> <p>Weighting <input type="text" value="40%"/> × Proposed Increase <input type="text" value="9.35%"/></p> <p>Overall Impact = <input type="text" value="3.74%"/></p> <p>Dental</p> <p>Weighting <input type="text" value="30%"/> × Proposed Increase <input type="text" value="17.54%"/></p> <p>Overall Impact = <input type="text" value="5.26%"/></p> <p>Disability</p> <p>Weighting <input type="text" value="20%"/> × Proposed Increase <input type="text" value="5.00%"/></p> <p>Overall Impact = <input type="text" value="1.00%"/></p> <p>Life</p> <p>Weighting <input type="text" value="10%"/> × Proposed Increase <input type="text" value="5.00%"/></p> <p>Overall Impact = <input type="text" value="0.50%"/></p> <p>Now add them together to determine your overall increase:</p> <p><input type="text" value="3.74%"/> + <input type="text" value="5.26%"/> + <input type="text" value="1.00%"/> + <input type="text" value="0.50%"/></p> <p>Total Overall Impact = <input type="text" value="10.50%"/></p> | <p>Step #4 (The overall impact)</p> <p>Health</p> <p>Weighting <input type="text" value="40%"/> × Proposed Increase <input type="text"/></p> <p>Overall Impact = <input type="text"/></p> <p>Dental</p> <p>Weighting <input type="text" value="30%"/> × Proposed Increase <input type="text"/></p> <p>Overall Impact = <input type="text"/></p> <p>Disability</p> <p>Weighting <input type="text" value="20%"/> × Proposed Increase <input type="text" value="5.00%"/></p> <p>Overall Impact = <input type="text" value="1.00%"/></p> <p>Life</p> <p>Weighting <input type="text" value="10%"/> × Proposed Increase <input type="text" value="5.00%"/></p> <p>Overall Impact = <input type="text" value="0.50%"/></p> <p>Now add them together to determine your overall increase:</p> <p><input type="text"/> + <input type="text"/> + <input type="text" value="1.00%"/> + <input type="text" value="0.50%"/></p> <p>Total Overall Impact = <input type="text"/></p> |
| <p>Questions? Contact BHH for assistance!</p> | |



BHH
1040 South Service Road, Unit 204
Stoney Creek, ON L8E 6G3
Phone: 905-643-1017
Toll Free: 800-514-4944
Fax: 905-643-4332

www.bhhbenefits.com

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