

IOWA EMPLOYER BENEFITS STUDY
- RESULTS -

DPL&A

DAVID P. LIND & ASSOCIATES



We at David P. Lind & Associates, L.L.C. are pleased to provide you with this copy of the *2000 Iowa Employer Benefits Study*[®]. We wish to thank every employer that participated in this study, which is the first of its kind covering the entire state of Iowa. In addition, we wish to thank Data Point Research, Inc. for their statistical expertise and guidance in this study, and give special thanks to Tammie J. Amsbaugh, FLMI, SPHR, for her expert assistance on Paid Time Off (PTO) and Traditional Leave issues.

The results of this survey are quite extensive, and because of this, we have summarized some key areas of interest within this publication. More details are available in the full study which allow comparisons to be made between the various industries represented. Should you need further consulting information based on this study, please contact us at (800) 821-5463. We would also welcome any comments or suggestions that you have which could improve this study in future years.

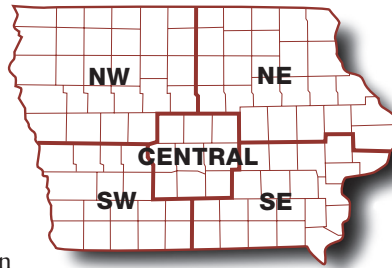
Thank you for your interest in this
2000 Iowa Employer Benefits Study[®].

DAVID P. LIND, CEBS

PRESIDENT, DAVID P. LIND & ASSOCIATES

Explanation of the Survey Process

This survey is a continuation of last year's Central Iowa Employer Benefits Study® (1999). In this year's survey, the population of interest is all firms in Iowa with 20 or more employees. A total of 12,993 firms were identified and split into 20 groups, based on their number of employees and region within Iowa. From this, we selected a random sample of firms by region and employee size categories (found in Exhibit 1).



questionnaire, followed by a postcard mailing, and finally a second hardcopy questionnaire mailing. Of the 2,089 sample firms in Exhibit 1, it was discovered that 40 firms were

duplicated in error, 33 firms were no longer in business, and 7 firms have no Iowa employees. Of the newly revised sample total of 2,009 firms, 546 eligible Iowa firms responded, which represented a 27.2 percent response rate. However, 47 participating firms were excluded from the analysis as their data was either incomplete or received too late to be tabulated. Exhibit 2 shows the characteristics of the respondents obtained for each of the 20 groups.

The firms within each of these 20 groups received a questionnaire. Some 2,089 firms were first contacted by telephone to determine whether the firm was currently doing business in Iowa and to obtain address information for electronic and postal mail contact attempts. All sampled firms were then sent a letter inviting them to participate in this study by completing the survey questions via a secure, password-protected web-site. Then, individuals for whom we had e-mail addresses, but who did not respond to the postal letter, were sent an e-mail asking them to participate.

As can be seen from these Exhibits, the number of large firms is much smaller than that of all other firms, both in the population and in the sample. Therefore, we decided to use employee-size weighted averages when reporting findings for all firms. Hence, a firm with 500 employees would have the same weight in the overall averages as five firms of 100 employees, or 20 firms of 25 employees.

These efforts resulted in 177 firms completing the questionnaire via the web. The remaining firms who had not replied were sent a hardcopy

The employee-size weighted percentages reported here are all accurate to within plus or minus 5 percent, at a 95 percent confidence level.

EXHIBIT 1:
CHARACTERISTICS OF FIRMS
RANDOMLY SELECTED TO
RECEIVE SURVEYS

EMPLOYEES	20-49	50-249	250-999	1000+	Total
Central	167	163	86	40	456
North East	159	161	121	22	463
North West	155	150	73	14	392
South East	164	158	104	23	449
South West	141	156	28	4	329
TOTAL	786	788	412	103	2,089

EXHIBIT 2:
CHARACTERISTICS OF FIRMS
THAT RESPONDED AND WERE
ANALYZED

EMPLOYEES	20-49	50-249	250-999	1000+	Total
Central	24	41	27	7	99
North East	30	44	34	6	114
North West	41	48	28	6	123
South East	28	25	28	9	90
South West	19	44	8	2	73
TOTAL	142	202	125	30	499

Benefits Eligibility

FULL-TIME AND PART-TIME STATUS AND BENEFITS

Among the survey respondents, the average minimum number of hours worked per week necessary to be considered full-time is 34.9 hours. The average minimum number of hours required for part-time status is 11.7 hours. These numbers did not vary significantly by region or by firm size. Exhibit 3 shows the percentages of firms offering various types of benefits to both types of employees.

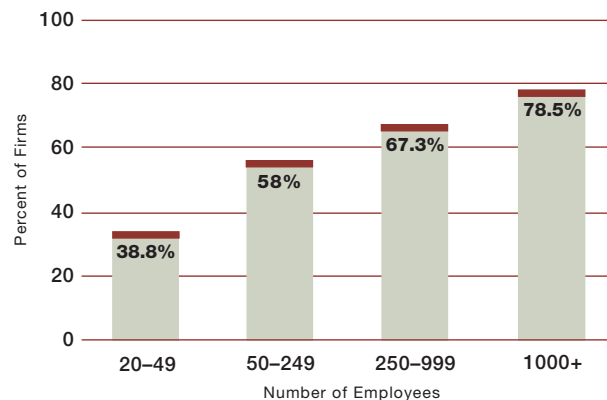
EXHIBIT 3: BENEFITS OFFERED TO FULL-TIME AND PART-TIME EMPLOYEES

While the percentage of firms offering benefits to full-time employees do not vary much by firm size, there are some moderate differences for part-time employees. The percentage of firms offering benefits to part-time employees increases with firm size for all benefits, with the exception of sick leave and vacation, where the percentages are constant across size categories. There are no significant regional differences.

BENEFIT OFFERED	FULL-TIME	PART-TIME
Health Insurance	96%	92.7%
Dental Insurance	75%	35.1%
Retirement Plans	91.8%	63.5%
Life Insurance	89.9%	31.1%
Short Term Disability Insurance	56.4%	20.9%
Long Term Disability Insurance	75.1%	23.7%
Holidays	92.8%	58%
Sick Leave	68.1%	47.6%
Vacation	85.7%	52.5%
Paid Time Off	12.8%	11.4%

EXHIBIT 4: BENEFITS TO PART-TIME EMPLOYEES

Benefit levels vary significantly by firm size. Only 39 percent of firms with 20-49 employees offer benefits to part-time employees, while 78.5 percent of firms with over 1,000 employees do the same. No significant regional differences are apparent.

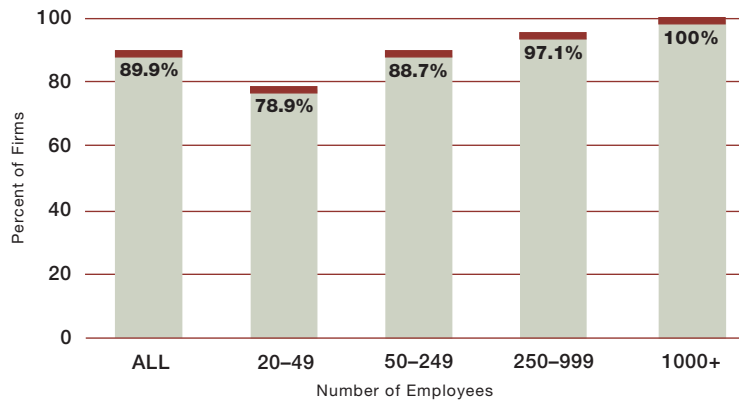


Group Life Insurance

Group Life insurance is a very common employee benefit because the cost is minimal compared to other benefits, such as medical coverage. Our study concentrated on whether Iowa employers provided life coverage on a flat amount basis, multiple of salary basis, or some other arrangement.

**EXHIBIT 5:
PERCENT OFFERING EMPLOYER-PAID GROUP LIFE INSURANCE**

Overall, nine out of ten (89.9%) of employers (weighted by the number of employees) offer some type of employer-paid group life insurance coverage. As Exhibit 5 shows, firms with more employees are more likely to offer this type of insurance.



**EXHIBIT 6:
FLAT AMOUNT COVERAGE FOR LIFE INSURANCE PLANS BY FIRM SIZE**

Firms in the Central region of Iowa are somewhat more likely to offer such life insurance benefits, with 92.8 percent of them doing so, compared to between 82.6 percent and 84.7 percent for the other regions.

For the overall sample, 44.8 percent of employers offer an employer-paid “flat amount” plan, 42.3 percent offer a “multiple of salary” plan, 7.2 percent offer a combination of both. The remaining 5.7 percent offer other types of arrangements.

For the firms providing “flat amount” plans, the overall average amount offered is \$17,780.

FIRM SIZE	AVERAGE FLAT AMOUNT
20-49 employees	\$17,310
50-249	\$17,400
250-999	\$20,130
1000+	\$16,750

Group Life Insurance Continued

**EXHIBIT 7:
MULTIPLIERS FOR LIFE
INSURANCE PLANS BY FIRM SIZE**

Among the firms offering “multiple of salary” life insurance plans, the average reported multiple is 1.58, with a range of 0.5 to 4. The multipliers used appears to increase with firm size, as shown in Exhibit 7. The multiplier reported most frequently by firms in this survey is 1x, followed closely by 1.5x. This is true for all size categories and regions.

FIRM SIZE	LIFE INSURANCE MULTIPLIER
20–49 employees	1.48
50–249	1.46
250–999	1.61
1000+	1.77

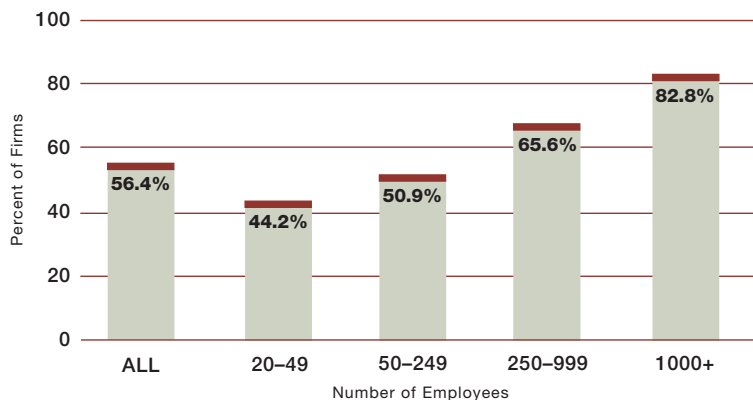
The majority of firms offer voluntary employee life insurance (63.7 percent) and dependent life insurance (60.7 percent). No significant regional differences are apparent in the sample.

Disability Insurance

When an employee becomes disabled off the job, we wanted to know whether Iowa employers offered some form of coverage for short-term and/or long-term disabilities. Are the disability premiums paid by the employer or employee, or shared by both the employer and employee?

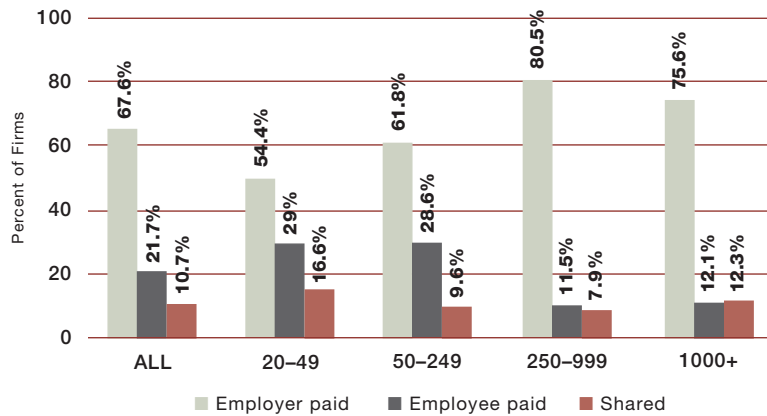
**EXHIBIT 8:
PERCENT OFFERING SHORT TERM
DISABILITY INSURANCE**

Over half (56.4 percent) of all firms, weighted by size, offer short term disability insurance to their employees. The breakdown by firm size is shown in Exhibit 8.



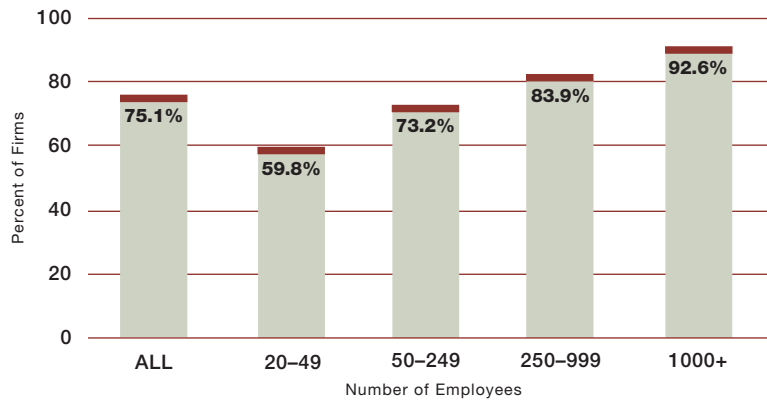
**EXHIBIT 9:
SHORT TERM DISABILITY
INSURANCE PAYMENT
ARRANGEMENTS**

Among the firms offering disability insurance, over two-thirds of employers (67.6 percent) cover its full cost, 21.7 percent have the employees pay the full cost, and 10.7 percent share the cost between employee and employer. Not only do more large firms offer such insurance, a larger proportion of them also pay for the insurance.



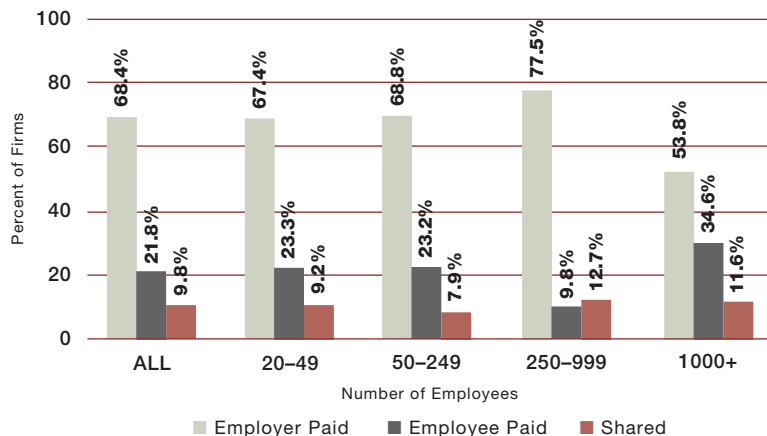
**EXHIBIT 10:
PERCENT OFFERING LONG TERM
DISABILITY INSURANCE**

More firms offer long term than short term disability insurance. Three quarters of all employers (75.1 percent) offer such insurance, but this again varies significantly by firm size.



**EXHIBIT 11:
LONG TERM DISABILITY
INSURANCE PAYMENT
ARRANGEMENTS**

The cost sharing arrangements for long term disability for the overall sample are almost identical to those for short term disability insurance. However, when these numbers are broken down by firm size, different patterns emerge, with large firms significantly less likely to cover the full cost of the long term disability insurance.



Paid Time Off / Traditional Leave

A Paid Time Off (PTO) bank normally combines vacation, sick time and possibly holidays into one account for each employee’s unrestricted use.

Note: PTO is becoming more popular with employers, especially larger employers, but due to the substantial amount of data that we compiled on this subject, we are providing summary information within this printed study.

EXHIBIT 12:

TYPES OF PAID LEAVE

Almost 13 percent (12.8%) of firms provide a paid time off bank, while almost nine in ten firms (86.3%) offer traditional leave plans. Larger firms are more likely to offer the PTO plans compared to smaller firms, as shown in Exhibit 12.

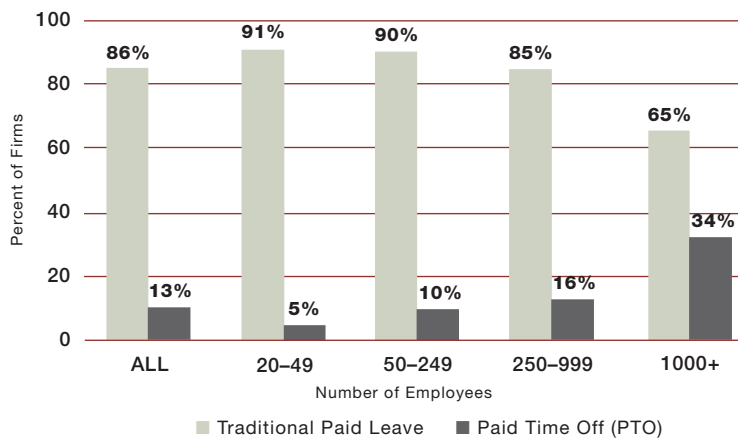
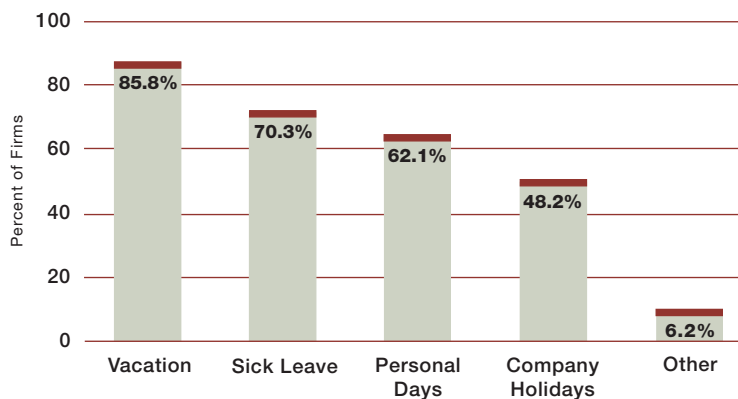


EXHIBIT 13:

PAID TIME OFF BENEFIT TYPE

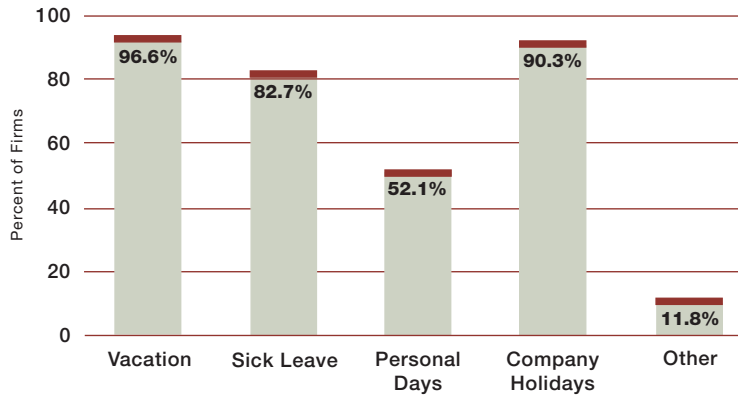
Among firms offering paid time off benefits, the percentages allowing different types of days to be included vary by type, as can be seen in Exhibit 13. The vast majority of firms (85.8%) include vacation days in their PTO plans. About two-thirds include sick leave and personal days, but less than half include company holidays in their paid time off banks.



**EXHIBIT 14:
TYPES OF TRADITIONAL LEAVE**

Traditional leave plans are still offered by most of the firms who participated in the survey.

Exhibit 14 displays the traditional leave offered by the firms who provide this type of benefit. Vacation, holidays and traditional sick leave are very widely offered, while only slightly over half of these firms provide personal days.

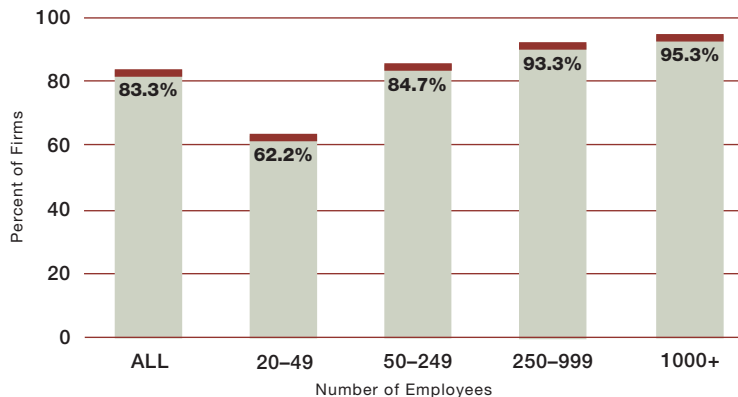


Section 125 Plans

Section 125 plans, also described as “flexible benefit” plans or “cafeteria plans”, allow participating employees to choose between a number of non-taxable qualified benefits or taxable cash. The design of cafeteria plans can range from simple “premium only” plans to full-blown flexible benefit plans including flexible spending accounts. Premium only plans allow employees to use their pre-tax, rather than after-tax, dollars for plan contributions. Flexible spending accounts allow employees to defer before-tax dollars to pay for dependent care expenses and unreimbursed medical expenses

**EXHIBIT 15:
PRE-TAX PREMIUMS**

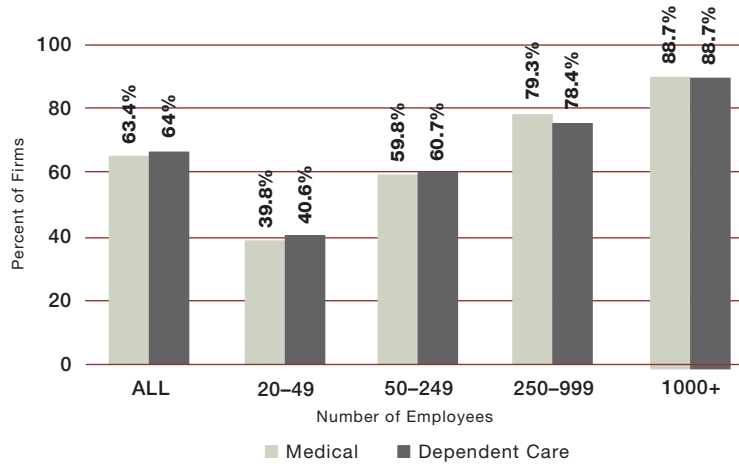
Pre-tax premiums are a benefit offered at 83.3 percent of the firms, weighted by size. Exhibit 15 presents the percentage of employers offering the pre-tax premium benefit under Section 125 for the different size categories. There are also some regional differences, with only 73 percent of firms offering this benefit in the Northwest and 90 percent doing so in the Northeast.



Section 125 Plans Continued

EXHIBIT 16:
MEDICAL AND DEPENDENT CARE SPENDING ACCOUNTS

Both types of spending accounts are less popular benefits than the pre-tax premiums, with only 63.4 percent of the firms offering the medical spending account and 64.0 percent offering the dependent care spending account.

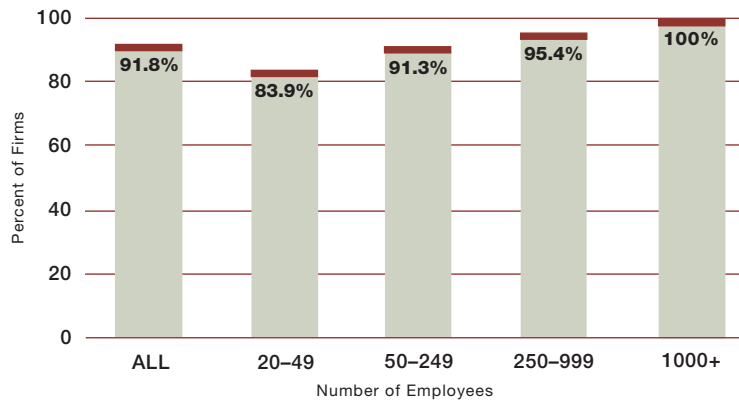


Retirement

Based on the type of organization, retirement plans can be established in a variety of ways. Our study concentrated on the likelihood that Iowa employers offer some type of retirement plan(s), and the plan(s) most widely used (i.e. defined contribution, defined benefit, profit sharing, etc.)

EXHIBIT 17:
PERCENT OFFERING RETIREMENT BENEFITS TO EMPLOYEES

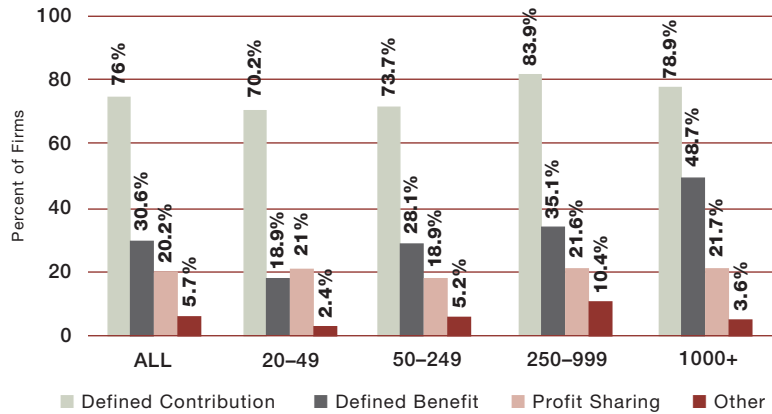
Overall, 91.8 percent of employers (size-weighted) offer a retirement plan. Exhibit 17 shows that firms with fewer than 50 employees are less likely to offer this benefit than larger firms, while the largest firms (over 1000 employees) all offer retirement plans.



Firms in the Southwest region are slightly less likely to offer retirement plans, with only 82.3 percent of them doing so, compared to between 88.6 percent in the Northwest and 93.1 percent in the Central regions.

**EXHIBIT 18:
RETIREMENT PLANS OFFERED**

The most popular type of retirement plans among all firm size categories are the defined contribution plans, offered by over three quarters (76.0%) of all employers. The type of defined contribution plan mentioned most frequently in the survey are the 401(k) and 403(b). The defined benefit plans are mainly popular among the largest employers, with approximately half of the largest firms offering such plans. Profit sharing is made available by approximately one fifth (20.2%) of employers, and that fraction of employers does not vary greatly by employer size.

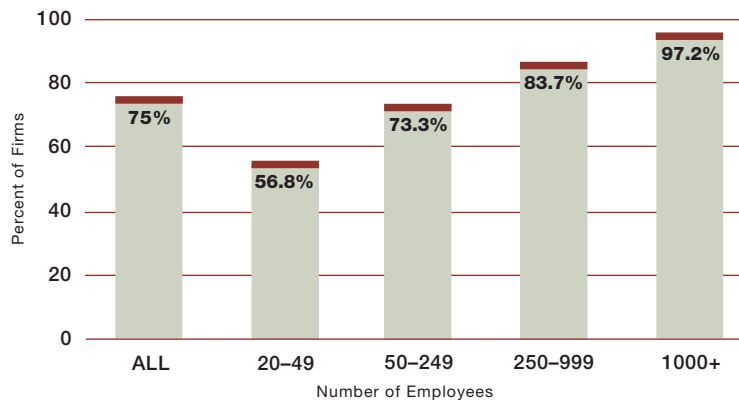


There are some minor regional differences in these retirement benefits. The largest difference is in the profit sharing offering. Profit sharing is made available by 25 percent of employers in both the Central and Northeast regions, but only by approximately 11 percent of employers in the Northwest and Southwest regions.

Dental Insurance

**EXHIBIT 19:
DENTAL PLAN OFFERING**

In aggregate, 75 percent of employers offer a dental plan. As Exhibit 19 shows, the largest firms are almost twice as likely as the smallest firms to offer dental coverage. Approximately 60 percent of firms in the Southwest and Northwest regions offer such plans, compared to almost 80 percent in the rest of Iowa.



A minority of firms (8.2%) offer more than one dental plan.

Why DPL&A Undertook This Study

In 1999, David P. Lind & Associates, L.L.C. (DPL&A) undertook the *1999 Central Iowa Employer Benefits Study*[®] to help their clients confront a tight labor market and better recruit and retain qualified employees. Prior to the 1999 Study, DPL&A was unable to find any source of benefits information which dealt exclusively with employee benefits provided in Iowa. As benefits consultants, DPL&A saw the need to become a resource and advisor to Iowa employers by gathering, compiling, and presenting meaningful benefits information which focused solely on Iowa. Pertinent local data regarding employee benefits is an invaluable benchmarking tool for any employer in determining the competitiveness of their own benefits package. The outcome of this particular study created a great amount of interest in future studies, not only for Central Iowa employers, but also for employers located throughout the entire state of Iowa.

The *2000 Iowa Employer Benefits Study*[®] is a state-wide study of the benefits being offered by Iowa employers. This study is useful to all employers within Iowa because it is NOT a study of any particular industry. Rather, it reflects a broad stroke of all employers with at least 20 employees located in Iowa, randomly selected from almost all industries. Most importantly, this is a TOTALLY NON-BIASED study that presents an objective picture of what is happening in Iowa regarding employee benefits. The 2000 Study differs from the 1999 Study in the following ways:

- The 2000 Study includes all 99 counties within Iowa, while the 1999 Study only included nine counties in Central Iowa.
- In addition to the benefits studied in 1999, the 2000 Study includes valuable information on vacation, sick leave, personal days, and Paid Time Off.

About DPL&A

Located in Des Moines, Iowa, DPL&A is locally and privately owned. DPL&A was founded on the belief that ethical conduct, full-disclosure, commitment to education, and always acting in the best interest of the client are paramount to providing a higher level of consultation and service. Created as a true independent employee benefits consulting firm to professionally serve as a client advocate, DPL&A believes it is imperative to disclose all compensation received and, where appropriate, bases professional fees on time spent and the professional level of the members assigned to a task, instead of pure commission.

As a broker, DPL&A has access to all insurance markets, but it does not serve as a distribution arm for insurance companies or vendors. Since DPL&A does not solicit or prospect for the purposes of selling insurance products; time and resources are directed toward serving clients. The focus is to serve clients by consulting on their behalf, acting as a liaison to and an advocate in the marketplace, guiding the decision making process to meet the clients objectives, and providing ongoing support.



Find Out More About This Study

For more information about this study and the many services available through DPL&A, please call David Lind or Brad Johnson at (800) 821-5463. DPL&A can also be reached on the internet at www.dplaconsulting.com. Any comments and/or suggestions on this and future studies are certainly welcome.

Data Point Research, Inc. provided their statistical expertise and guidance to make this Study possible.

Dental Insurance Continued

PAYMENTS

EXHIBIT 20:**DENTAL PLAN MONTHLY PREMIUMS (INCLUDES EMPLOYER AND EMPLOYEE CONTRIBUTIONS)**

The average monthly premium per employee for the primary Dental plan being offered by employers is \$20.78 for employee only, \$36.50 for employee and spouse, \$37.70 for employee and children, and \$49.95 for family. Exhibit 20 presents average monthly premiums by firm size. As expected, the employers' premium cost decreases with increasing firm size.

FIRM SIZE	Employee Only	Employee & Spouse	Employee & Children	Family
20–49 employees	\$20.22	\$44.08	\$40.29	\$57.66
50–249	\$23.26	\$34.76	\$36.82	\$47.36
250–999	\$19.84	\$39.60	\$41.72	\$53.57
1000+	\$15.39	\$29.86	\$32.25	\$45.08
WEIGHTED AVG.	\$20.78	\$36.50	\$37.70	\$49.95

EXHIBIT 21:**DENTAL PLAN PREMIUMS – MONTHLY EMPLOYEE CONTRIBUTIONS**

The average Dental Plan has an employee contribution of \$11.51 for employee-only plans, and \$14.12 for employee with spouse plans. Employee with children plans have an overall average of \$12.13, while family dental plans average \$15.14 per month. Exhibit 21 shows the average employee contribution for dental plans for the different firm sizes.

FIRM SIZE	Employee Only	Employee & Spouse	Employee & Children	Family
20–49 employees	\$12.70	\$18.15	\$13.41	\$25.52
50–249	\$11.99	\$10.08	\$8.45	\$4.04
250–999	\$11.50	\$17.87	\$18.15	\$25.69
1000+	\$9.24	\$14.50	\$12.73	\$22.19
WEIGHTED AVG.	\$11.51	\$14.12	\$12.13	\$15.14

PLAN FUNDING

EXHIBIT 22:**PERCENT OF FIRMS WITH FULLY INSURED DENTAL PLANS**

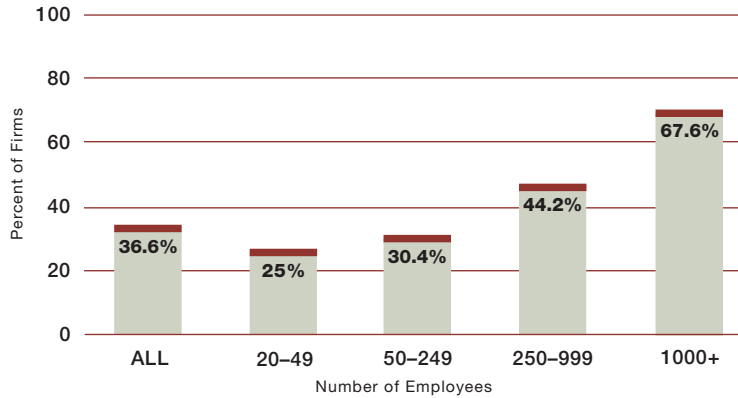
Over half (54.8 percent) of employers offer coverage by a fully insured dental program. As shown in Exhibit 22, the percentage of fully insured plans drops rapidly as firm size increases.

FIRM SIZE	Primary Dental Plan
20–49 employees	77%
50–249	60.9%
250–999	54.6%
1000+	15.2%

Vision

**EXHIBIT 23:
FIRMS OFFERING VISION BENEFITS**

Over one-third of employers studied (36.6 percent, size-weighted) offer a vision discount or insurance program. That percentage varies significantly by firm size, as shown in Exhibit 23. Some regional differences are also apparent, with 45.7 percent of firms in the Central region offering a vision benefit, compared to between 30.1 and 36.4 percent for all the other regions.

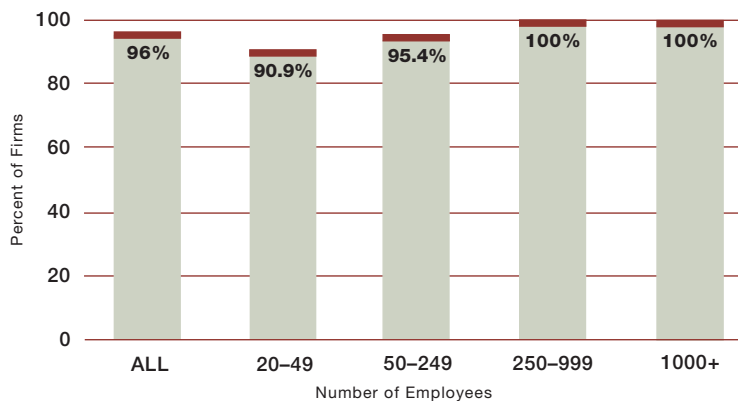


Medical Insurance

A large part of the employer’s benefits costs are a direct result of group medical coverage. Medical costs can be quite complex when distinguishing between fully insured, partially self funded, and self funded costs. In addition, there are various plans available in Iowa, such as Health Maintenance Organizations (HMO), Point of Service plans (POS), Preferred Provider Organizations (PPO), and Traditional Indemnity (TI). In this study, we tracked the premium rates between many of these plans along with the employer/employee contribution rates. Just as importantly, we analyzed the average benefits structure offered by each corresponding medical plan.

**EXHIBIT 24:
FIRMS OFFERING HEALTH INSURANCE BENEFITS**

Overall, 96 percent of employers who responded offer health insurance to their employees. Only the smallest firms surveyed are somewhat less likely to offer health coverage.



Medical Insurance Continued

**EXHIBIT 25:
PERCENT OF FIRMS OFFERING
MULTIPLE HEALTH INSURANCE
PLANS**

Exhibit 25 shows the number of health plans offered by Iowa firms, regardless of type of plan. Not surprisingly, larger firms are somewhat more likely to provide several plans.

FIRM SIZE	One Plan	Two Plans	Three Plans	Four + Plans
20–49 employees	70.1%	18.4%	7.7%	3.8%
50–249	64.9%	23.9%	7.5%	3.7%
250–999	54%	31.5%	9.4%	1.6%
1000+	33.2%	36.3%	28.1%	2.4%
ALL FIRMS	59.2%	26.3%	10.6%	4.9%

PAYMENTS (HMO/POS PLANS)**EXHIBIT 26:
HMO/POS MONTHLY PREMIUMS
(INCLUDES EMPLOYER AND
EMPLOYEE CONTRIBUTIONS)**

Exhibit 26 shows the average monthly billed rate per employee for the primary HMO/POS plan, and Exhibit 27 displays the corresponding monthly employee contributions.

FIRM SIZE	Employee Only	Employee & Spouse	Employee & Children	Family
20–49 employees	\$220.65	\$389.60	\$390.13	\$457.51
50–249	\$200.19	\$403.78	\$378.92	\$485.37
250–999	\$190.51	\$381.68	\$398.18	\$473.81
1000+	\$142.26	\$308.91	\$402.24	\$434.32
WEIGHTED AVG.	\$195.40	\$384.38	\$387.64	\$471.81

**EXHIBIT 27:
HMO/POS MONTHLY EMPLOYEE
CONTRIBUTIONS**

FIRM SIZE	Employee Only	Employee & Spouse	Employee & Children	Family
20–49 employees	\$34.93	\$171.62	\$167.26	\$238.85
50–249	\$43.56	\$175.67	\$171.42	\$213.26
250–999	\$31.48	\$107.98	\$110.78	\$149.76
1000+	\$40.68	\$98.80	\$93.72	\$135.31
WEIGHTED AVG.	\$38.81	\$147.88	\$147.88	\$193.42

PAYMENTS (PPO PLANS)

EXHIBIT 28:

PPO MONTHLY PREMIUMS (INCLUDES EMPLOYER AND EMPLOYEE CONTRIBUTIONS)

Exhibits 28 and 29 show the average monthly billed rate per employee and the employee contributions for the primary PPO plan. Both the average monthly billed rates and the employee contributions for the PPO plans are similar to those for the HMO/POS plans.

FIRM SIZE	Employee Only	Employee & Spouse	Employee & Children	Family
20–49 employees	\$213.56	\$505.05	\$475.20	\$554.35
50–249	\$211.71	\$444.81	\$481.84	\$501.61
250–999	\$196.24	\$407.43	\$424.61	\$496.59
1000+	\$149.80	\$296.86	\$352.08	\$437.17
WEIGHTED AVG.	\$194.83	\$403.76	\$440.26	\$492.60

EXHIBIT 29:

PPO MONTHLY EMPLOYEE CONTRIBUTIONS

FIRM SIZE	Employee Only	Employee & Spouse	Employee & Children	Family
20–49 employees	\$37.52	\$211.11	\$199.73	\$250.55
50–249	\$41.90	\$116.23	\$133.56	\$203.20
250–999	\$33.09	\$109.97	\$108.84	\$144.48
1000+	\$44.90	\$95.21	\$63.53	\$127.19
WEIGHTED AVG.	\$39.29	\$124.33	\$126.89	\$174.63

PAYMENTS (TRADITIONAL INDEMNITY PLANS)

EXHIBIT 30:

TRADITIONAL INDEMNITY MONTHLY PREMIUMS (INCLUDES EMPLOYER AND EMPLOYEE CONTRIBUTIONS)

Exhibits 30 and 31 show the same information for the primary traditional indemnity plan. The results are also similar to those for the HMO/POS and PPO plans.

FIRM SIZE	Employee Only	Employee & Spouse	Employee & Children	Family
20–49 employees	\$252.53	\$495.73	\$459.18	\$544.06
50–249	\$234.57	\$487.91	\$497.06	\$603.95
250–999	\$177.45	\$289.34	*	\$428.23
1000+	\$180.31	\$389.56	\$361.24	\$544.60
WEIGHTED AVG.	\$207.79	\$406.31	\$390.56	\$537.87

* Insufficient data to report accurately.

Medical Insurance Continued

EXHIBIT 31:
TRADITIONAL INDEMNITY
MONTHLY EMPLOYEE
CONTRIBUTIONS

FIRM SIZE	Employee Only	Employee & Spouse	Employee & Children	Family
20–49 employees	\$53.46	\$152.46	\$157.94	\$209.29
50–249	\$44.77	\$140.41	\$147.86	\$187.33
250–999	\$26.38	\$106.10	\$79.79	\$149.80
1000+	\$36.05	\$96.75	\$61.72	\$122.60
WEIGHTED AVG.	\$38.48	\$118.76	\$106.22	\$162.28

HMO/POS PLAN BENEFITS

EXHIBIT 32:
HMO/POS IN-NETWORK
DEDUCTIBLES BY FIRM SIZE

In-network deductibles average \$254 per employee for single coverage, and \$551 for family coverage. Exhibit 32 shows the average deductibles by size of firm.

FIRM SIZE	Single	Family
20–49 employees	\$350	\$760
50–249	\$259	\$565
250–999	\$216	\$460
1000+	\$173	\$403

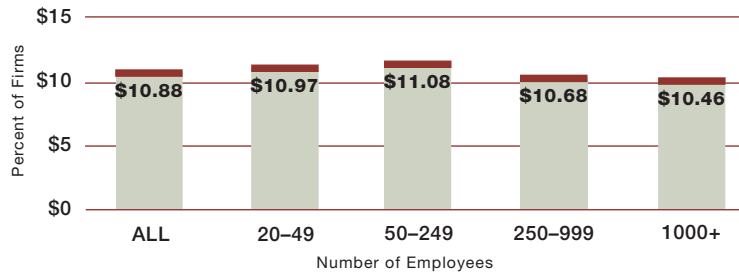
EXHIBIT 33:
HMO/POS MAXIMUM OUT-OF-POCKET EXPENSES FOR SINGLE AND FAMILY COVERAGE

The weighted average maximum out-of-pocket expense for all firms is \$1,085 for single coverage and \$2,245 for family.

FIRM SIZE	Single	Family
20–49 employees	\$1,095	\$2,609
50–249	\$1,057	\$2,101
250–999	\$1,082	\$2,216
1000+	\$1,182	\$2,353

**EXHIBIT 34:
HMO/POS AVERAGE DOCTOR'S
OFFICE CO-PAY (IN \$)**

The average doctor's office co-pay is \$10.88. Exhibit 34 shows the co-pay by company size. The median co-pay is \$10, across all regions and firm size categories.



**EXHIBIT 35:
HMO/POS PLANS WITH A
SEPARATE DRUG CARD**

Almost two-thirds (61%) of HMO/POS plans have a separate drug card benefit, as shown in Exhibit 35. This percentage is also fairly constant across firm sizes.

FIRM SIZE	Percent with Separate Drug Card
20-49 employees	58.8%
50-249	52.3%
250-999	59.7%
1000+	62.2%

**EXHIBIT 36:
HMO/POS DRUG CO-PAY BY
EMPLOYER SIZE**

Exhibit 36 displays the average drug co-pay for generic, preferred brand name, and non-preferred brand name purchases.

FIRM SIZE	Generic	Preferred Brand Name	Non-preferred Brand Name
20-49 employees	\$7.38	\$14.43	\$23.22
50-249	\$7.57	\$13.92	\$20.81
250-999	\$7.14	\$14.19	\$19.88
1000+	\$7	\$13.31	\$23.45
WEIGHTED AVG.	\$7.35	\$13.97	\$21.42

Over one-third (39.1 percent) of firms provide the drug benefit subject to medical plan deductible and coinsurance. However, this is much more likely among small firms.

Medical Insurance Continued

PPO PLAN BENEFITS

**EXHIBIT 37:
PPO IN-NETWORK DEDUCTIBLES
BY FIRM SIZE**

In-network deductibles average \$280 per employee for single coverage, and \$599 for family coverage. Exhibit 37 shows the average deductibles by size of firm.

FIRM SIZE	Single	Family
20–49 employees	\$211	\$393
50–249	\$305	\$629
250–999	\$350	\$757
1000+	\$209	\$494

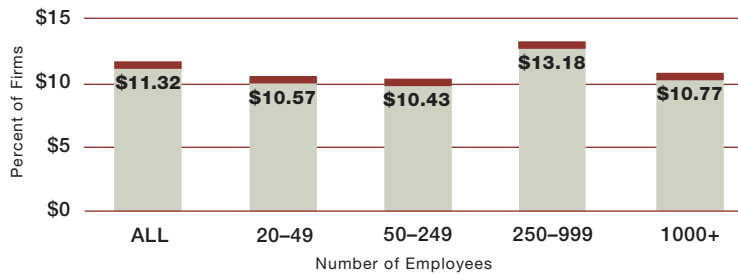
**EXHIBIT 38:
PPO MAXIMUM OUT-OF-POCKET
EXPENSES FOR SINGLE AND
FAMILY COVERAGE**

Exhibit 38 shows the average maximum out-of-pocket for single and family PPO coverage. The weighted average maximum out-of-pocket expense for all firms is \$1,001 for single coverage and \$1,943 for family.

FIRM SIZE	Single	Family
20–49 employees	\$802	\$1,539
50–249	\$879	\$1,661
250–999	\$1,149	\$2,282
1000+	\$1,093	\$2,166

**EXHIBIT 39:
PPO AVERAGE DOCTOR'S OFFICE
CO-PAY (IN \$)**

The average doctor's office co-pay is \$11.32. Exhibit 39 shows the co-pay by firm size.



**EXHIBIT 40:
PPO PLANS WITH A SEPARATE
DRUG CARD**

Over two-thirds (67%) of firms with PPO plans provide a separate drug card benefit, as shown in Exhibit 40. This percentage is quite constant across firm sizes.

FIRM SIZE	Percent with Separate Drug Card
20–49 employees	61.5%
50–249	65.8%
250–999	70.1%
1000+	69.8%

**EXHIBIT 41:
PPO DRUG CO-PAY BY EMPLOYER
SIZE**

Exhibit 41 displays the average drug co-pay for generic, preferred brand name, and non-preferred brand name purchases.

FIRM SIZE	Generic	Preferred Brand Name	Non-preferred Brand Name
20–49 employees	\$6.90	\$12.96	\$16.86
50–249	\$6.22	\$12.29	\$21.33
250–999	\$6.68	\$14.89	\$26.39
1000+	\$6.77	\$13.50	\$26.41
WEIGHTED AVE.	\$6.58	\$13.46	\$23.91

Almost one-third (31.6%) of firms offer PPO plans with drug benefits subject to the medical plan deductible and coinsurance. This type of plan is more likely among small firms, as seen in the HMO/POS plans.

TRADITIONAL INDEMNITY PLAN BENEFITS

**EXHIBIT 42:
TRADITIONAL INDEMNITY
DEDUCTIBLES BY FIRM SIZE**

In-network deductibles average \$447 per employee for single coverage, and \$875 for family coverage. Not surprisingly, these numbers are much higher than the deductibles for the HMO/POS and PPO plans.

FIRM SIZE	Single	Family
20–49 employees	\$479	\$769
50–249	\$559	\$1,102
250–999	\$366	\$732
1000+	\$374	\$788

Medical Insurance Continued

EXHIBIT 43:**TRADITIONAL INDEMNITY
MAXIMUM OUT-OF-POCKET
EXPENSES FOR SINGLE AND
FAMILY COVERAGE**

The weighted average maximum out-of-pocket expense for all firms is \$1,368 for single coverage and \$2,702 for family.

FIRM SIZE	Single	Family
20–49 employees	\$1,326	\$2,035
50–249	\$1,551	\$3,109
250–999	\$1,142	\$2,248
1000+	\$1,396	\$2,891

EXHIBIT 44:**TRADITIONAL INDEMNITY PLANS
WITH A SEPARATE DRUG CARD**

Overall, over two-thirds (68.9%) of all firms with Traditional Indemnity plans provide a separate drug card. Exhibit 44 shows the percentages of firms offering a separate drug card benefit across the firm size categories.

FIRM SIZE	Percent with Separate Drug Card
20–49 employees	57.1%
50–249	86.8%
250–999	45.4%
1000+	68.9%

EXHIBIT 45:**TRADITIONAL INDEMNITY
AVERAGE DRUG CO-PAY BY
COMPANY SIZE**

Exhibit 45 displays the average drug co-pay for generic, preferred brand name and non-preferred brand name purchases. These brand name co-pays are higher than both the HMO/POS and PPO levels.

FIRM SIZE	Generic	Preferred Brand Name	Non-preferred Brand Name
20–49 employees	\$5	\$10	*
50–249	\$8.50	\$16.54	\$22.64
250–999	\$7.40	\$17.82	\$20.06
1000+	\$7.75	\$16.50	\$45
WEIGHTED AVG.	\$7.76	\$16.38	\$31.17

* Insufficient data to report accurately.

Overall, about one-quarter (26.6%) of all firms surveyed report that their traditional indemnity plan's prescription medicines are subject to medical deductible and coinsurance.

Overall Picture of Average Iowa Employer

What does the average Iowa employer (regardless of size and industry) offer to its employees for benefits? The following information will depict the “average” offering of employee benefits by Iowa employers who do offer benefits. The health premiums are the weighted average of all plans (HMO/POS, PPO, and Traditional Indemnity).

EXHIBIT 46:

OVERALL MONTHLY HEALTH PLAN PREMIUMS (INCLUDES EMPLOYER AND EMPLOYEE CONTRIBUTIONS)

The average reported monthly health premium is \$198.08 for Employee Only, \$395.75 for Employee and Spouse, \$405.43 for Employee and Children, and \$493.83 for Family. It is notable that small firms generally have larger premiums than do larger firms.

FIRM SIZE	Employee Only	Employee & Spouse	Employee & Children	Family
20–49 employees	\$225.52	\$454.55	\$435.88	\$511.42
50–249	\$212.56	\$439.70	\$449.28	\$517.71
250–999	\$188.17	\$359.74	\$406.40	\$466.66
1000+	\$152.31	\$319.39	\$375.19	\$456.12
WEIGHTED AVG.	\$198.08	\$395.75	\$405.43	\$493.83

EXHIBIT 47:

OVERALL MONTHLY EMPLOYEE CONTRIBUTION – FOR HEALTH COVERAGE

Employee monthly contributions for health insurance premiums average \$38.89 for Employee Only coverage, \$133.49 for Employee and Spouse coverage, \$131.43 for Employee and Children coverage, and \$180.11 for Family coverage. Generally, small firms require employees to contribute more dollars for health coverage.

FIRM SIZE	Employee Only	Employee & Spouse	Employee & Children	Family
20–49 employees	\$40.11	\$181.04	\$176.49	\$236.13
50–249	\$43.09	\$142.04	\$149.77	\$203.33
250–999	\$30.34	\$108.07	\$99.55	\$147.85
1000+	\$41.44	\$97.03	\$76.06	\$129.79
WEIGHTED AVG.	\$38.89	\$133.49	\$131.43	\$180.11

Overall Picture Continued

EXHIBIT 48:**OVERALL BENEFITS OF LARGE VS. SMALL FIRMS**

In general, larger firms (employees of 250+) tend to offer more benefits to their employees. This chart shows the percentage of firms with fewer than 250 employees offering each benefit, alongside the percentage of firms with 250 or more employees offering that same benefit.

BENEFITS OFFERED	ALL	20-49	50-249	250-999	1000+
Group Life Insurance	89.9%	78.9%	88.7%	97.1%	100%
Short Term Disability Insurance	56.4%	44.2%	50.9%	65.6%	82.8%
Long Term Disability Insurance	75.1%	59.8%	73.2%	83.9%	92.6%
Paid Time Off	12.8%	4.9%	9.5%	15.6%	34.2%
Traditional Paid Leave	86.3%	91.2%	89.8%	85.4%	65%
Pre-tax Premiums	83.3%	62.2%	84.7%	93.3%	95.3%
Medical Spending Account	63.4%	39.8%	59.8%	79.3%	88.7%
Dependent Care Spending Account	64%	40.6%	60.7%	78.4%	88.7%
Retirement Benefits	91.8%	83.9%	91.3%	95.4%	100%
Dental Insurance	75%	56.8%	73.3%	83.7%	97.2%
Vision Insurance	36.6%	25%	30.4%	44.2%	67.6%
Health Insurance	96%	90.9%	95.4%	100%	100%