

Willis Towers Watson's Dependent Eligibility Auditing



Achieve savings, fairness and compliance within your health care benefit plan.

As health care costs continue to rise, you are compelled to find new ways to manage spending. In most cases you can dramatically reduce health care spending for both your organization and your participants with a dependent eligibility audit by Willis Towers Watson. Not only is the return on investment significant, it's important to keep accurate records on dependent eligibility to ensure fairness and compliance – especially with the cost of covering one dependent at approximately \$4,000 per year.

Willis Towers Watson has an extensive history of providing benefit consulting excellence and we carry that expertise into every dependent eligibility audit, along with decades of experience in health and group benefits, communication and change management, and benefits administration.

Why conduct a dependent eligibility audit?

- **Ineligible dependents**
 - People make mistakes and may enroll a dependent in benefits who is not eligible
 - Some knowingly commit fraud because it's easy
- **Financial impact**
 - Whether a participant made a mistake or is committing fraud, the result is the same – it costs companies and participants money. At most organizations this cost is in the millions of dollars

▪ Compliance risk

- Removing ineligible dependents enables you to reduce your compliance risk under ERISA, DOL and Sarbanes-Oxley guidelines
- It is the employer's responsibility to maintain the integrity of the plan
- Personal liability should be top of mind. If an employer is knowingly allowing fraud, they could be held personally liable

▪ Fairness

- Every participant should be held to the same standards. Allowing ineligible dependents to receive (and continue to receive) benefits without repercussion is unfair
- Your company and your plan participants pay some of the cost of care for ineligible participants

Why Willis Towers Watson?

We will save you time, money and aggravation

- From the beginning, we collaborate with you to ensure everything we do aligns with the culture of your organization
- Willis Towers Watson owns the entire process and requires minimal time from your staff
- We make it easy for you to check in on our progress and you have real-time access to view the status of the dependent audit process

An immediate return on investment

We help our clients ensure that only dependents who are eligible for benefits have coverage, and as a result, our clients have saved millions of dollars. From experience, we know that an organization performing a full audit will typically remove 3% to 7% of the dependents on file who are discovered to be ineligible.

A typical audit produces a
3% – 7%
reduction in enrolled dependents.

We understand participants may be concerned

We take participant relations and workforce disruption seriously and as a result put extra care into our communication, user-friendly and secure technology, and top-notch customer service.

- Communication is customized to fit your culture and is free of accusation
- The documentation process is simple, allowing participants to upload documents securely on our user-friendly website

Three ways to submit documents



- Our U.S.-based customer service representatives are highly experienced with helping participants during an audit

First-year savings for a 25,000 dependent covered company can be

\$3 million to \$7 million



Actual results vary based on your situation. A company that doesn't require dependent documentation, has grown through acquisition or hires frequently can have a higher rate of ineligible dependents.

Willis Towers Watson excels at delivering superior customer service

- 80% of calls are related to:
 - Documentation questions
 - Verification process
 - General inquiry about the audit



Quality customer service is critical.

Willis Towers Watson's results

First-call resolution

99%

Caller satisfaction

99%

As your dependent eligibility auditing partner, we work with you to develop a clear understanding of your goals, culture and challenges, and establish an approach that will help you regain the integrity of your plan and achieve short-and long-term savings.

About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.



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Willis Towers Watson

Willis Towers Watson's Dependent Eligibility Verification

Reinforcing fairness to achieve savings and compliance within your health care benefit plan



Health care costs are higher than ever, causing employers to find new ways to manage spending. In fact, the cost of covering one dependent is approximately \$4,000 per year. Most companies can dramatically reduce health care spend, for both the employer and employees, with a dependent eligibility verification audit by Willis Towers Watson. Not only is the return on investment significant, but it also reinforces fairness and compliance within your company's dependent population.

Willis Towers Watson has a rich history of providing benefit consulting excellence, dating back more than 135 years, and we carry that experience into our dependent eligibility verification service. We have significant experience in dependent eligibility reviews, including decades of experience in health and group benefits, communication and change management, and benefits administration.

As your dependent verification partner, we work with you to develop a clear understanding of your goals, culture and challenges, and an approach that will help you regain the integrity of your plan and achieve short- and long-term savings.

An immediate return on investment

We have helped our clients ensure that only individuals who are eligible for benefits have coverage, and as a result, our clients have saved millions of dollars. From experience, we know that an organization performing a full audit will typically disqualify 3% to 7% of participants because they are discovered to be ineligible. Using our knowledge of and experience with health trends, plan design and cost initiatives, we will work with you to evaluate what the audit results mean for your plan – from how the summary plan description reflects your rules to whether the reserve requirement should change based on the covered population.

Certain characteristics make it more likely for an organization to have a higher incidence of ineligible dependents:

- Little or no process for proving dependent eligibility
- Frequent hiring or life event changes
- Acquisitions
- Higher-than-average ratio of employees covering dependents
- Low or no employee contribution for dependent coverage



The average post-health care reform cost per dependent is **\$4,000**
(varies by industry and company size.)

Processed **millions** of dependent eligibility documents



with the highest level of accuracy

A typical audit produces a
3% – 7%
reduction in enrolled participants.

First-year savings for a 30,000-life company can be



\$3 million to \$7 million

Actual results vary based on your situation. A company that doesn't require dependent documentation, has grown through acquisition or hires frequently can have a higher rate of ineligible dependents.

Seven reasons why Willis Towers Watson is different

Willis Towers Watson is highly experienced in performing all aspects of dependent eligibility verification reviews. Our top-tier service reduces the workload and stress of your benefit staff with minimal impact on employees. Partnering with Willis Towers Watson will result in:

- Saved time, money and aggravation
- Expert advice and processes
- Thoughtful, non-accusatory and comprehensive employee communication and customer service
- User-friendly, secure and reliable technology
- Ineligible dependent removal process – 100% objective and free of any judgment about motives
- A road map for continued success
- Clear return on investment, and reestablishment of fairness and compliance in your benefit plans

A proven process that generates real results

Willis Towers Watson's verification process is designed to create a customized solution for each client with minimal time investment or disruption. We work with you on the overall tone of all communications to ensure it reflects the culture of your organization, and then our experienced consultants guide you through the audit using proven processes and deliverables.

Implementation: During this phase, we work with you to design and implement a customized solution in sync with your culture, eligibility requirements and administrative processes. We make it easy for you and deliver measurable results.

Communication: This is the most critical phase of the audit. Our communication and change management experts work with you to deliver a strategy that meets your needs and fits your culture. We partner with you to create custom letters, FAQs and timelines that minimize workplace disruption.

Fulfillment: We generate and manage the distribution and return of all verification documentation. Our experienced benefits call center resolves employee questions and facilitates quality outcomes.



We guarantee performance. We hold ourselves to the highest standard in service and process, providing performance guarantees on key service metrics.

Results: You'll never be put in a position to make judgment calls about the removal of a dependent. We do that for you based solely on data and facts. And as part of our service, we provide a post-audit dashboard and road map to help you sustain the benefits of your audit.



Our non-accusatory approach minimizes employee disruption and maximizes results.

Willis Towers Watson experts are in your corner

Communication and customer service representatives (CSRs): We've seen and heard both the positive and negative reactions that an audit provokes. Having experienced communication and change management consultants and CSRs in your corner is critical not only to the success of your project, but also to employee relations.

Health and group benefit consultants: Our service includes the expertise of a Willis Towers Watson health and group benefit consultant before, during and after your audit. We provide you with advice and a progressive strategy to help you improve your internal processes or plan design in order to minimize future violations. Your consultant will also help you renegotiate with carriers to strive for additional savings.

Benefits administration and technology: Our employee-facing technology is user-friendly and reliable. It makes it easy for an employee to verify and securely submit documentation as well as monitor the status of the review. The system can accommodate any unique verification requirements and handle significant volumes with ease. For existing Willis Towers Watson health and welfare benefits administration clients, the results are linked to BenefitConnect. If an employee tries to reenroll an ineligible dependent, BenefitConnect will require documentation or a qualified family status event before the dependent can be added to the plan.

Given the chance, a significant amount of employees **will try to re-enroll ineligible dependents.**



Post-audit advice you'll get only from Willis Towers Watson

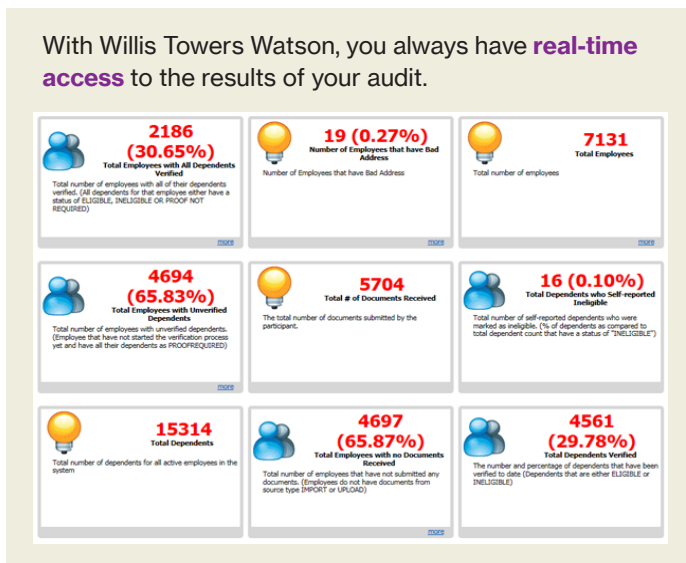


In addition to a comprehensive post-audit project summary that details the process and results of your audit, we also provide a road map to help you sustain the benefits of your audit. Our recommendations will be customized for you, based on your results.

Willis Towers Watson is the smart choice

Our advice is complete. With Willis Towers Watson, you have the best benefit minds in the business on your side. Along with our knowledge and experience, we provide practical and relevant guidance that gets results.

We keep you informed throughout the process. In addition to weekly status reports and regular communication, you have 24/7 real-time access to the status of the audit through the online plan sponsor dashboard.



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Our communications are clear, actionable and sensitive. We make sure our communications fit your culture and are free of accusation. We take employee relations and workforce disruption very seriously and, as a result, take extra care in our communications.



Upload



Mail



Fax

Our technology makes the process easy. For employers, our system handles significant volumes of secure documentation with ease, and has the flexibility to support your unique verification and reporting requirements. For employees, our self-service website makes it easy to securely upload documentation and monitor the status of the review.



Quality customer service is critical.

Willis Towers Watson's results

First-call resolution

99%

Caller satisfaction

99%

Our customer service is second to none. Our U.S.-based customer service representatives provide clear, courteous and accurate information to employees. Our industry-leading participant satisfaction and first-call resolution scores testify to the exceptional service we deliver.

We will save you time, money and aggravation. Through our expertise, cutting-edge technology, high-quality customer service and proven process, we will exceed your expectations and bring fairness, compliance and savings to your benefit plan.

For more information regarding Willis Towers Watson's dependent eligibility verification services, please contact your Willis Towers Watson client relationship director.

Willis Towers Watson