



Texas Association of Builders **Member's Choice Health Insurance & Benefits Marketplace**

**It's time to change, because the business of health insurance has changed.**

[TABInsuranceMarketplace.com](http://TABInsuranceMarketplace.com)

One important reason that the Texas Association of Builders (TAB) has developed a private health insurance and employee benefits marketplace is cost. When TAB members purchase health insurance and benefits as a group, we can help employers drive down the cost of offering benefits to their employees. When it's time to renew health insurance, most businesses are finding that their premium costs are rising, and double digit rate increases are common.

Employers have a choice in how they purchase, fund and deliver benefits to their employees, through a **defined contribution** plan, and that is what the TAB Member's Choice Health Insurance & Benefits Marketplace offers through Network Brokers who are members of the Texas Association of Builders.

Under **Defined Contribution**, where employers create a benefits budget that's affordable for them, the employer defines the contribution to each employee, and the employee decides what benefits to buy. The employer works with a TAB Member's Choice Health Insurance & Benefits Marketplace Network Broker to allocate the benefits budget among the employees. Each employee then works with the Network Broker to choose the benefits they want to purchase from the marketplace, allowing the employee to have the ability to make their own health insurance and benefits decisions.

The new world of defined contribution plans and electronic marketplaces such as the TAB Member's Choice Health Insurance & Benefits Marketplace is here! An actual renewal process for a small builder's company that has transitioned from the old defined benefits model to the new defined contribution plan using a marketplace like ours is described below. TAB is pleased that it's employers and their employees have this opportunity to participate in our marketplace .

### **Example of a Marketplace Enrollment**

A company with 18 employees was on a Anthem Blue Cross Gold Plan and faced a large rate increase for the coming year – an increase that the company could not afford. The employer decided to end its defined benefits plan and transition to a defined contribution plan, allowing the company to control costs while providing great benefits options to the employees.

1. The first conversation is with a Network Broker about what the employer can afford to spend on benefits.
2. Once the decision is made to go with a private marketplace like the TAB Member's Choice Health Insurance & Benefits Marketplace and defined contribution plan, the Network Broker works with the employer to develop a benefits budget with which the employer is comfortable.

3. Then, the company decides what benefits, carriers, and plans from the marketplace will be offered to employees. The employer designs the plan that is the best fit for their company and is not limited to just one carrier or benefits package. (One employer may prefer Blue Cross, another may choose Humana, or UnitedHealthcare may be best for another company.)
4. The employer decides how to divide up the benefits budget among the employees. That decision can be determined by age banding, whether the employee has a spouse, whether the employee has children, positions within the company, etc.
5. The employee meets with a Network Broker who talks with them about how the marketplace works and their choices and ability to make their own health insurance and benefits purchasing decisions based on what is best for them and their family, and the employee is informed of the defined contribution the company has put on account for them.
6. The Network Broker walks the employee through the enrollment process using the funds the employer has put on account for them. If the employee spends more than what has been put on account, the balance is paid by the employee through payroll deduction.
7. The company pays the carriers each month based on what the company budgeted plus what has been deducted from the payroll of employees.

What was accomplished by using the marketplace?

- The company avoided a large rate hike.
- The company set its own benefits budget.
- The company determined how to divide its benefits budget among the employees.
- The company chose the benefits, carrier, and plan options to offer its employees.
- The employees were educated by a Network Broker about their benefits choices.
- The employee enrolled in the marketplace as an informed consumer who could choose the benefits that were best for them and their family.
- The employee had the opportunity to purchase ancillary and voluntary benefits beyond health insurance – some of which they had never had access to – such as vision, dental, life and disability insurance coverage.
- The company enjoys the ease of administration of its benefits package.
- The TAB Member's Choice Health Insurance & Benefits Marketplace allows TAB members to work together to make carriers compete in one place for your business, giving us leverage to keep costs as low as possible.

The TAB Member's Choice Health Insurance & Benefits Marketplace uses technology that compares plans, asks employees questions about their needs, and advises them and their employees on their choices. In addition to the support of a Network Broker, the marketplace has 365/24/7 support.

**For more information and a list of the Network Brokers, visit the  
TAB Member's Choice Health Insurance & Benefits Marketplace at**

**[www.TABInsuranceMarketplace.com](http://www.TABInsuranceMarketplace.com)**