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The Cost of Medical and Prescription Drug Benefits Continue to Rise for Employees and their Families

Harrisburg, PA (July 27, 2010) – According to a recent Medical and Prescription Drug Benefits survey conducted by **Conrad Siegel Actuaries**, a Harrisburg based actuarial and employee benefits consulting firm, 77% of the companies who responded to the annual medical and prescription drug survey require employees to share in the cost of their health premiums, up from 71% in 2007.

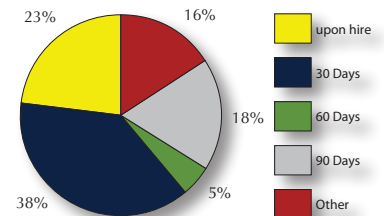
2009 Medical and Prescription Drug Benefits Survey Highlights

“The following are highlights from our most recent Medical and Prescription Drug Survey. As benefit costs continue to rise, more companies look for ways to reduce their financial exposure to escalating costs including reducing benefits, passing on more of the cost to employees and their families, and denying coverage for spouses who have access to health coverage through their own employer.” –Robert M. Glus, F.S.A., partner in charge of the Health and Welfare Consulting Group at **Conrad Siegel Actuaries**.

Over 200 companies of all sizes responded to the survey. Over one half (63%) come from organizations having greater than 100 employees. The companies that responded to the survey were from many different industry types, with the most common being Manufacturing (24%), Finance/Insurance/Real Estate (20%), and Government (19%).

When is an employee eligible for benefits?

The majority of companies surveyed require employees to satisfy a waiting period for benefit eligibility, with the most common being “30 Days”. The next most common employee eligibility is “Upon Hire”, followed by “90 Days”. These results were fairly similar to the results from the past few surveys, although the amount of companies offering coverage “Upon Hire” has increased in the past year.



Who are the most prevalent insurance carriers amongst survey respondents?

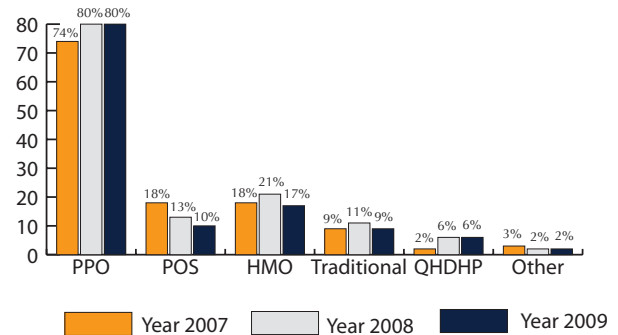
Capital BlueCross and Highmark Blue Shield continue to dominate the group health insurance market – their benefits account for a combined 63% of plans and 67% of contracts. Express Scripts continues to be the most prevalent prescription drug pharmacy benefit manager, with 41% of respondent’s plans and 45% of contracts.

Medical	Plans		Contracts	
	'09	'09	'09	'09
Capital Blue Cross	39%	36%		
Highmark Blue Shield	24%	31%		
Health America	5%	3%		
Keystone Health Plan	6%	4%		
Aetna	6%	7%		
Other	20%	19%		

Prescription Drug	Plans		Contracts	
	'09	'09	'09	'09
Express Scripts	41%	45%		
Medco	20%	24%		
Caremark	3%	6%		
Pharmicare	1%	2%		
Aetna	6%	6%		
Other	29%	17%		

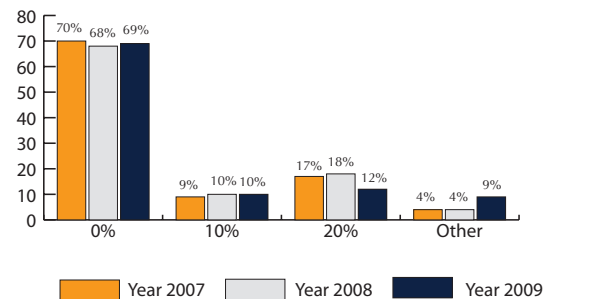
What type of medical plans do employers offer?

The most prevalent type of plan offered, by far, is the PPO plan. Also noteworthy is the fact that qualified high deductible health plans have become more common in the marketplace in recent years. The total responses are greater than 100%, as some organizations offer more than one type of plan.



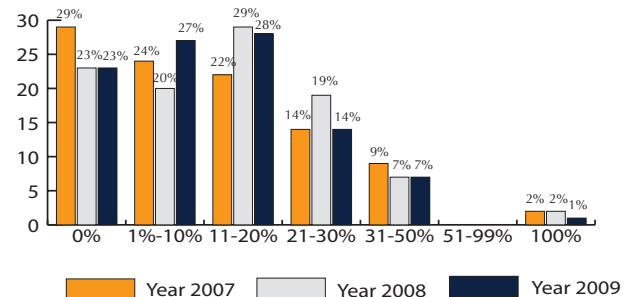
What are the most common network coinsurances for medical plans?

Over the past few years, there has been little change in the coinsurance percentages in plans offered by respondents. The majority of plans offered by respondents have 0% coinsurance. Similar to the previous two years, about 30% of plans offered by respondents required employees to be responsible for some amount of coinsurance.



What percentage of the medical premium does the employee pay?

In 2007, twenty-nine percent (29%) of survey respondents offered plans in which employees did not share in the cost of their medical premiums. But by 2009, that percentage is down to 23%. More than half of the companies surveyed (55%) now require their employees to pay between one and twenty percent of the cost of premium.



Conrad Siegel Actuaries maintains one of the largest, most comprehensive regional employee benefit databases available today in central Pennsylvania. Through our regional employee benefits survey program and information from current clients, we are able to benchmark the best practices surrounding local employer benefit programs and share this valuable information with you.

Our employee benefit surveys are conducted quarterly and the aggregated results are shared with those organizations who participate to assist them in shaping their own employee benefit programs.

To participate in the **Conrad Siegel Actuaries** Health & Welfare Survey Program, please contact the Benefit Survey Team at benefitsurvey@conradsiegel.com.

2009-2010 Health and Welfare Survey Results Schedule

January 2010	Vision
April 2010	Workplace Wellness
July 2010	Medical and Prescription Drug Benefits
October 2010	Paid Time Off Benefits