

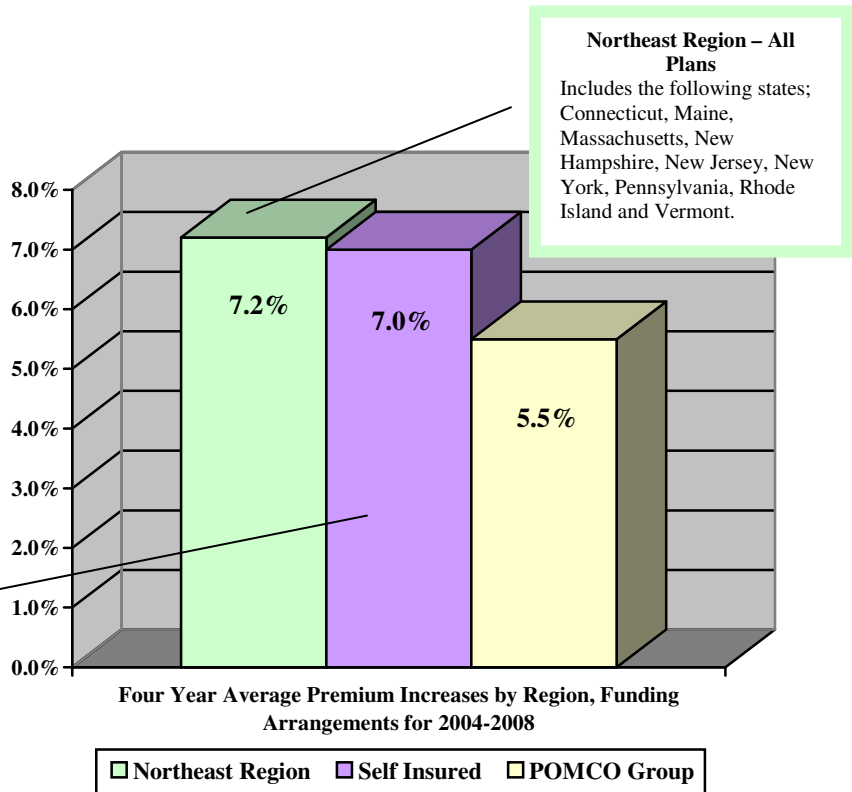
## POMCO Group's 2008 Industry Analysis

In a four year comparison, POMCO Group's average premium equivalent increase is less than comparable premiums within the northeast region and within the self-insured industry as a whole. The plan administration and cost containment solutions responsible for the results illustrated in this analysis include:

- Quality, accuracy and total claims management expertise that exceed industry standards
- Real-time enrollment and eligibility management systems
- URAC-accredited Medial Services that provides, on average, an 8:1 return on investment
- Regional and National PPO Networks that offer discounts equal to or lower than market averages
- Advance funding mechanisms which allow greater levels of pricing negotiation for out-of-network claims
- Preferred relationships with A-rated reinsurance carriers and pharmacy benefit managers

Premiums rose by 7.2% annually for all plans in the Northeast region, whereas premium equivalents increased by an average of 7.0% among national self-insured plans years 2004 – 2008.† By comparison, POMCO's average book of business premium equivalents increased over the same period by only 5.5% resulting in POMCO beating the market over other self-insured administrators by 21.4%.††

**Self-Insured Plan**  
A plan where the employer assumes some or all of the financial responsibility for the cost of an enrollee's medical claims. The employer typically contracts with a third-party administrator or insurer to provide administrative services for the health plan claims.



Benefit Plan Cost Difference, 2004-2008					
	2004	2005	2006	2007	2008
<b>Northeast Region</b>	\$7,000,000	\$7,693,000	\$8,108,422	\$8,367,892	\$9,213,049
<b>National Self-Insured</b>	\$7,000,000	\$7,805,000	\$8,265,495	\$8,687,035	\$9,173,509
<b>POMCO</b>	\$7,000,000	\$7,385,000	\$7,909,335	\$8,336,439	\$8,661,560
<b>Cost Savings</b>	\$0	\$420,000	\$356,160	\$350,596	\$511,949
<b>POMCO Group Four Year Cumulative Savings vs. National Self-Insured Plan: \$1,638,705†††</b>					

† Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2004-2008. Estimate is statistically different from previous years shown within the type of funding arrangements. Note: Data on premium increases reflect the weighted average cost of health insurance premiums for single and a family of four.

†† Premium equivalents rose by an average of 5.5% annually for POMCO Group's book of business years 2004-2008.

††† Assumes a 1,000 life group and a baseline premium starting in 2004 of \$7,000. Based on national statistics.