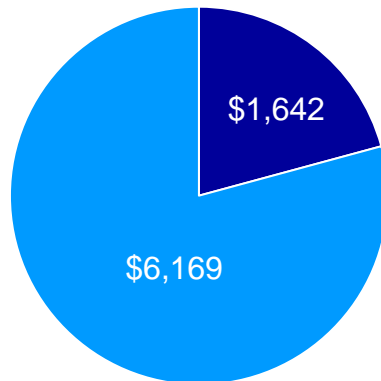


Towers Perrin 2010 Health Care Cost Survey

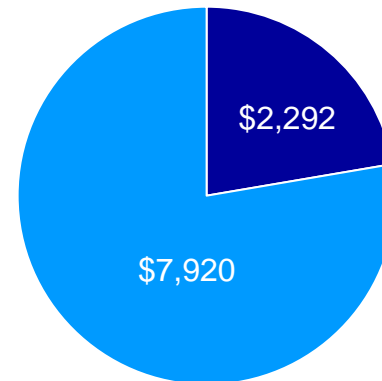
Exhibit 1

Total Employee/Employer Health Care Costs: 2005 vs. 2010 Actives Only

2005 Total Cost = \$7,811



2010 Total Cost = \$10,212



■ Employer ■ Employee

Source: Towers Perrin 2010 Health Care Cost Survey

Towers Perrin 2010 Health Care Cost Survey

Exhibit 2

Annual/Monthly Costs and Cost Increases

Actives Only

Active Employees	Employee Only	Employee Plus One	Family	Composite*	Average Increase From 2009
Average Medical Costs					
Annual	\$5,124	\$10,500	\$15,084	\$10,212	7%
Monthly	\$427	\$875	\$1,257	\$851	
Average Employee Share of Medical Costs					
Annual	\$1,020	\$2,448	\$3,492	\$2,292	10%
Monthly	\$85	\$204	\$291	\$191	

*Composite (i.e., employee only, employee plus one and family combined)

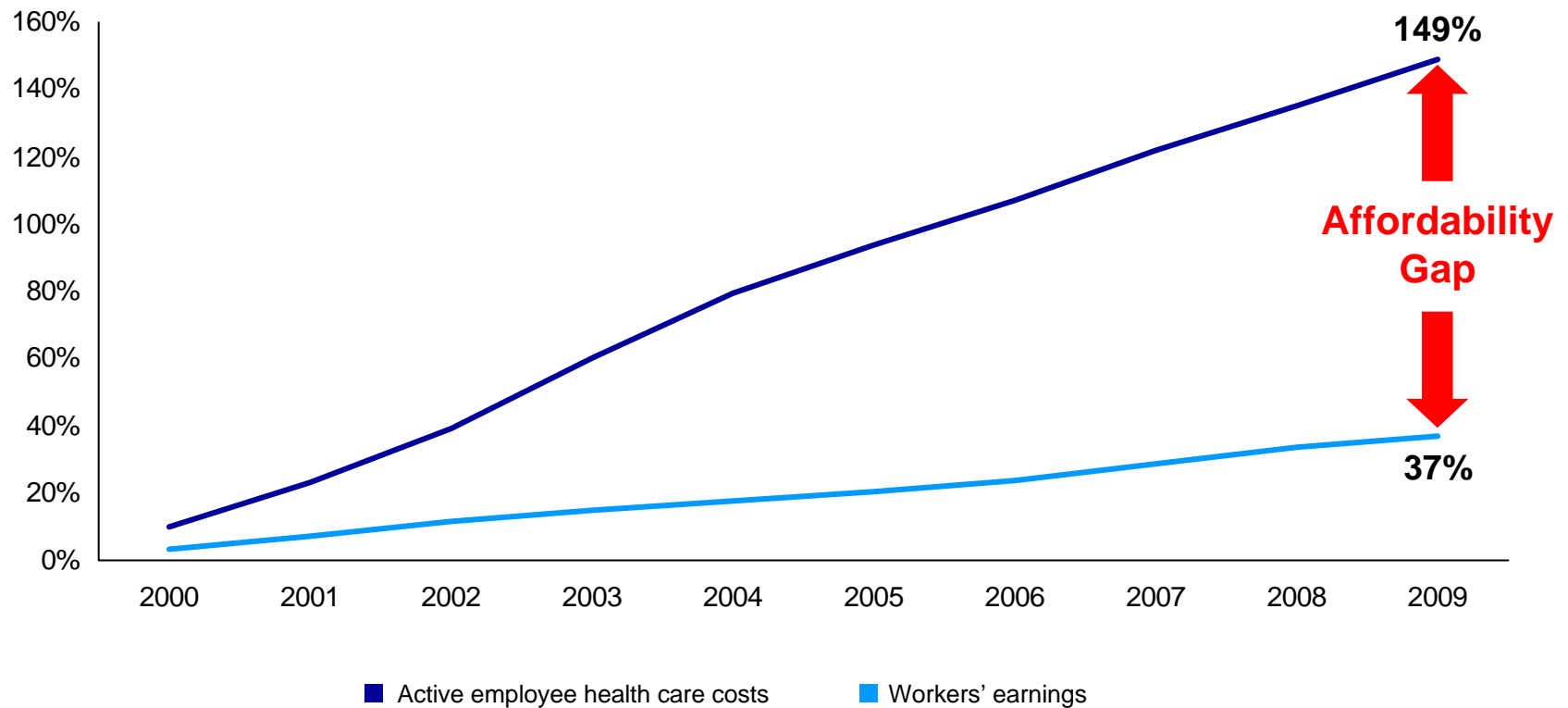
Source: Towers Perrin 2010 Health Care Cost Survey

Towers Perrin 2010 Health Care Cost Survey

Exhibit 3

The Growing Affordability Gap

Cumulative Active Employee Health Care Costs vs. Wage Increases



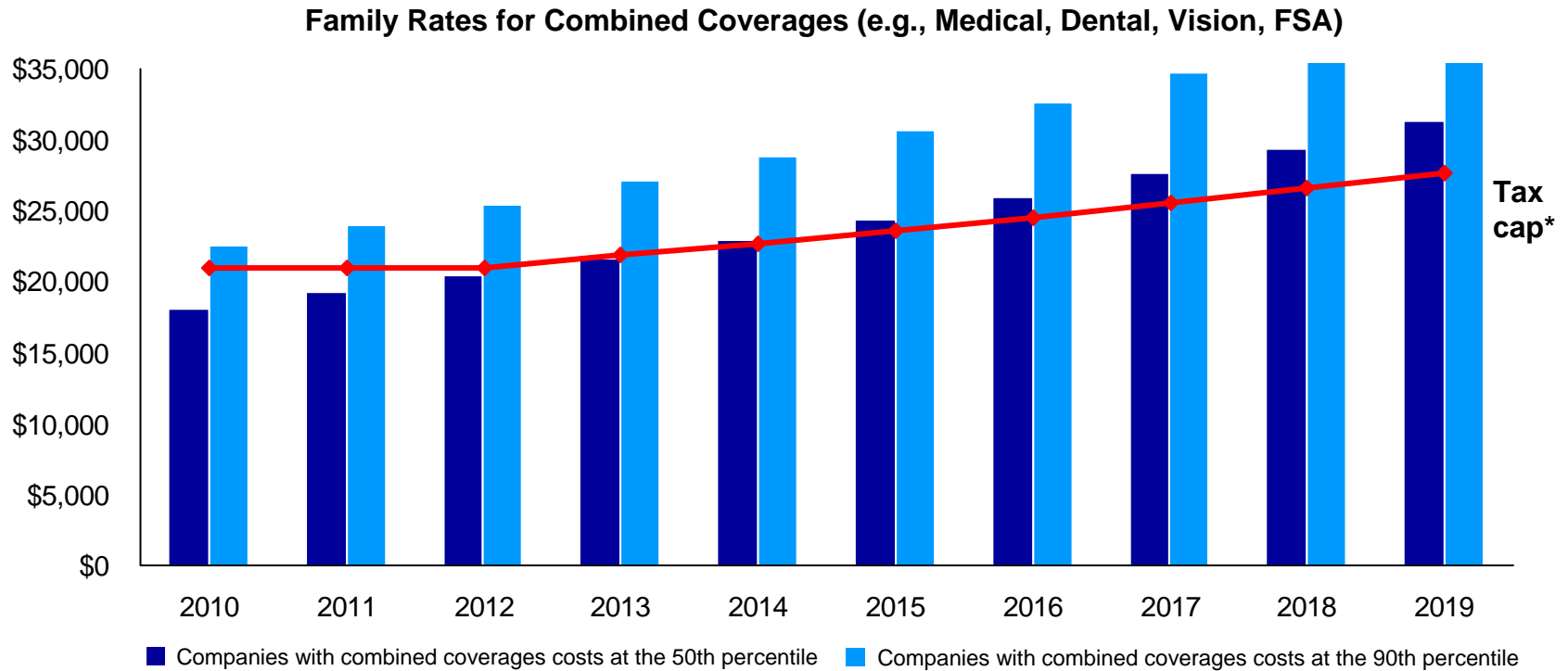
Towers Perrin Health Care Cost Survey 2009 (active employee data) and Bureau of Labor Statistics, seasonally adjusted data from the Current Employment Statistics Survey August to August, 2000 – 2009

Source: Towers Perrin 2010 Health Care Cost Survey

Towers Perrin 2010 Health Care Cost Survey

Exhibit 4

Excise Tax Cap: Will Affect Many Companies Immediately and Have Increasing Impact Over Time



*Tax cap assumes future index of 4%.

Source: Towers Perrin 2010 Health Care Cost Survey

Towers Perrin 2010 Health Care Cost Survey

Exhibit 5

High-Performing vs. Low-Performing Companies 2010 Cost Variation Across Companies

Actives Only

	High-Performing Companies	Low-Performing Companies	Difference
Cost per employee per year (composite for all plans)	\$9,456	\$11,280	\$1,824
Increase in overall cost	6%	8%	2%
Increase in employer cost	5%	8%	3%
Increase in employee cost	9%	10%	1%
Employee annual contribution	\$2,052	\$2,472	\$420
Cost per employee for ABHP with HRA	\$9,084	\$10,788	\$1,704
Cost per employee for ABHP with HSA	\$8,064	\$9,084	\$1,020

ABHP: Account-based health plan
HRA: Health reimbursement account
HSA: Health savings account

Towers Perrin divides respondents in its annual health care cost database into three categories: low-performing, average-performing and high-performing companies. Performance designations are based on relative costs, as well as whether an organization is meeting its health benefit objectives in key areas that include controlling employer and employee costs, enhancing efficient purchasing of health care services, enhancing employee satisfaction, understanding and involvement in health benefit programs, supporting employees' good health and addressing health risks/current health problems.

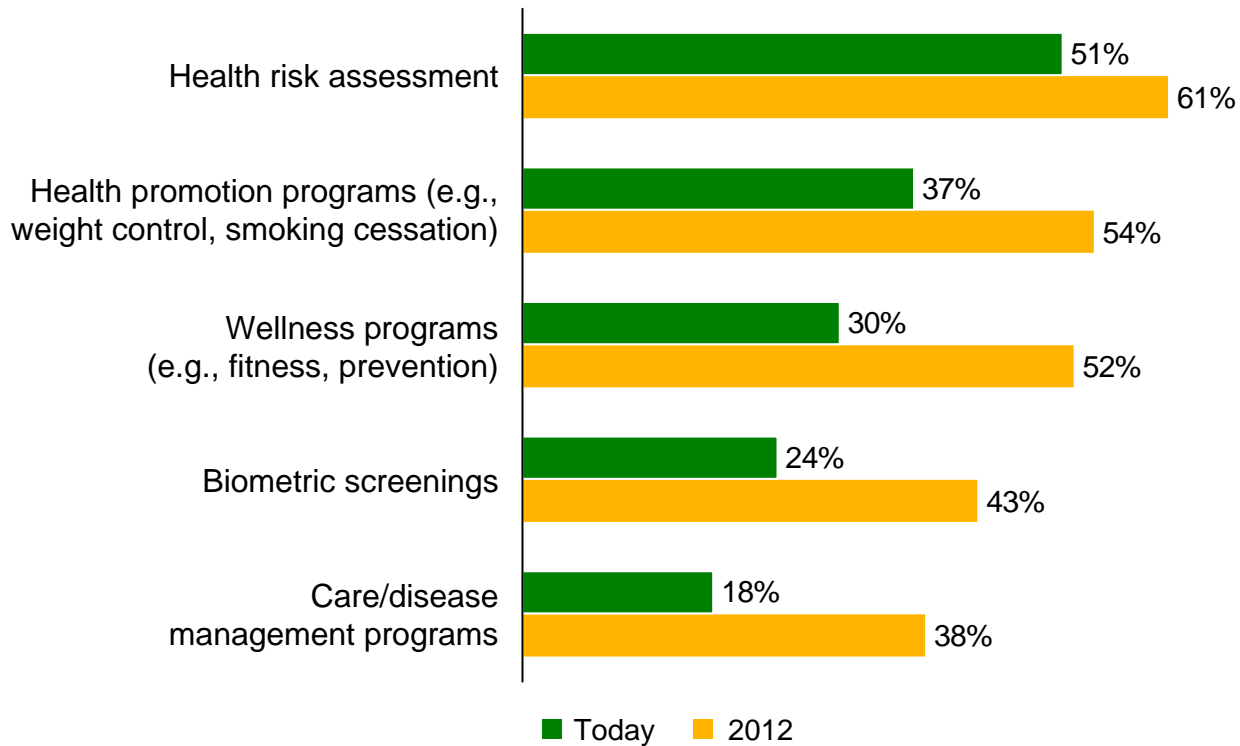
Source: Towers Perrin 2010 Health Care Cost Survey

Towers Perrin 2010 Health Care Cost Survey

Exhibit 6

High Performers Envision Expanding Use of Incentives

Percent High Performers Using/Will Use Incentives for These Activities/Programs Today/2012



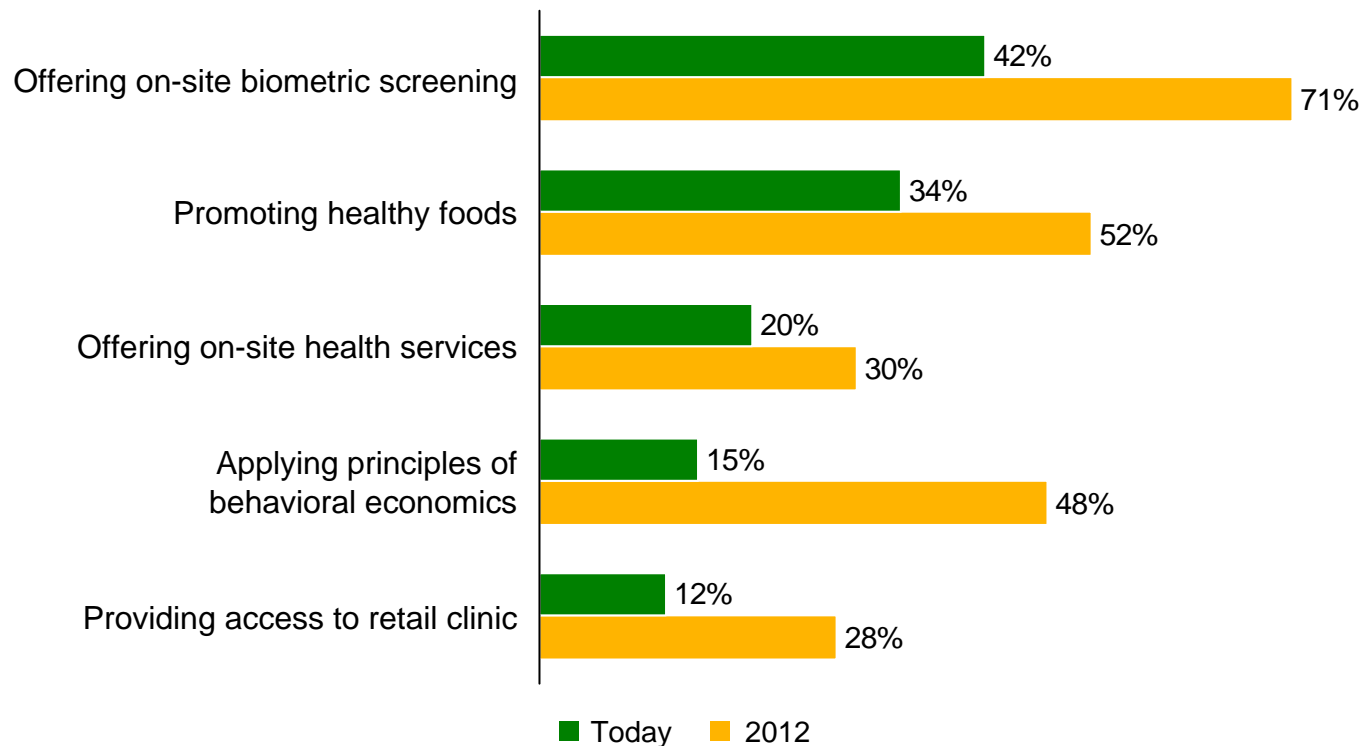
Source: Towers Perrin 2010 Health Care Cost Survey

Towers Perrin 2010 Health Care Cost Survey

Exhibit 7

Influencing Employee Behavior: High Performers Make Good Decisions Easy and Comfortable

Percent High Performers Responding Doing/Will Do to a Great/Moderate Degree



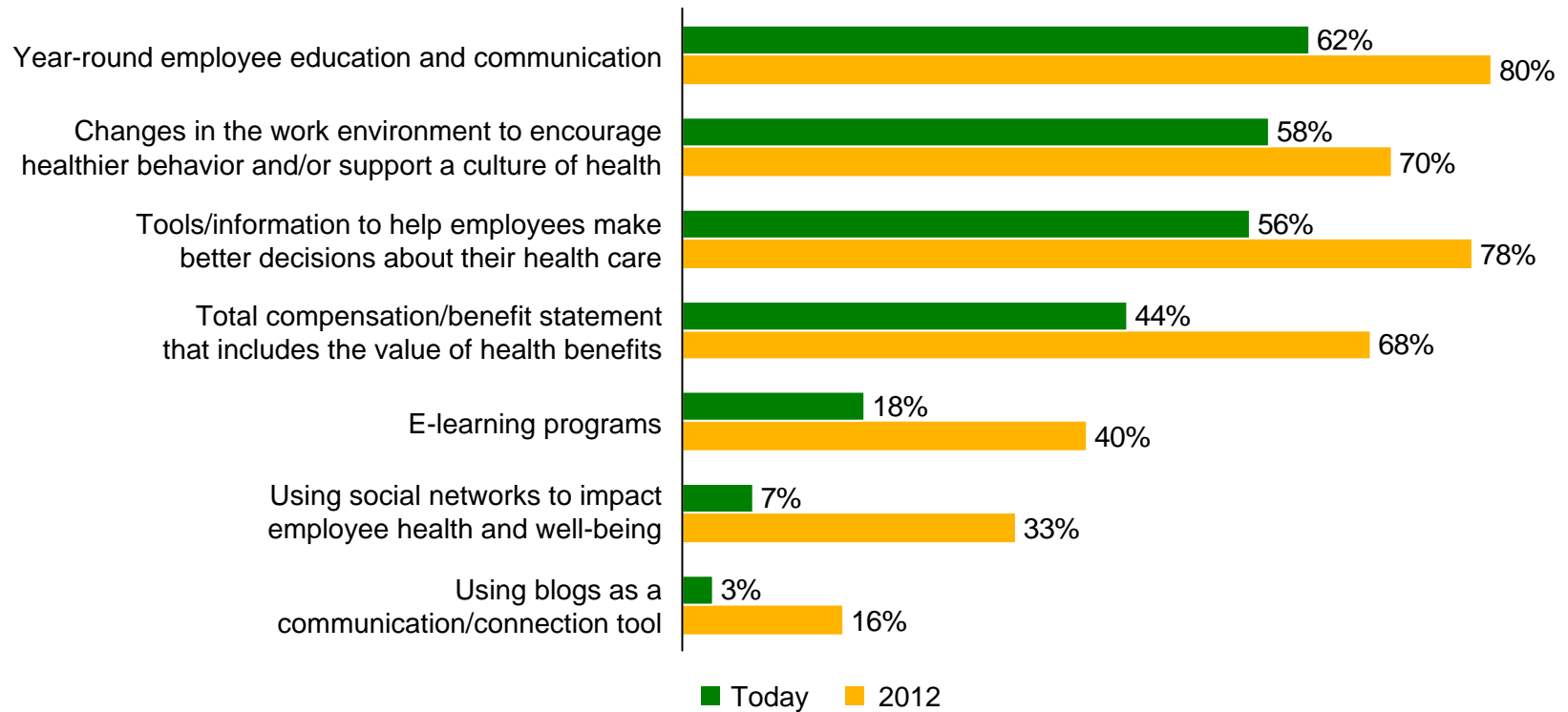
Source: Towers Perrin 2010 Health Care Cost Survey

Towers Perrin 2010 Health Care Cost Survey

Exhibit 8

Trends in Consumer Engagement: High Performers Anticipate More Activity, New Channels

Percent High Performers Responding Doing/Will Do to a Great/Moderate Degree



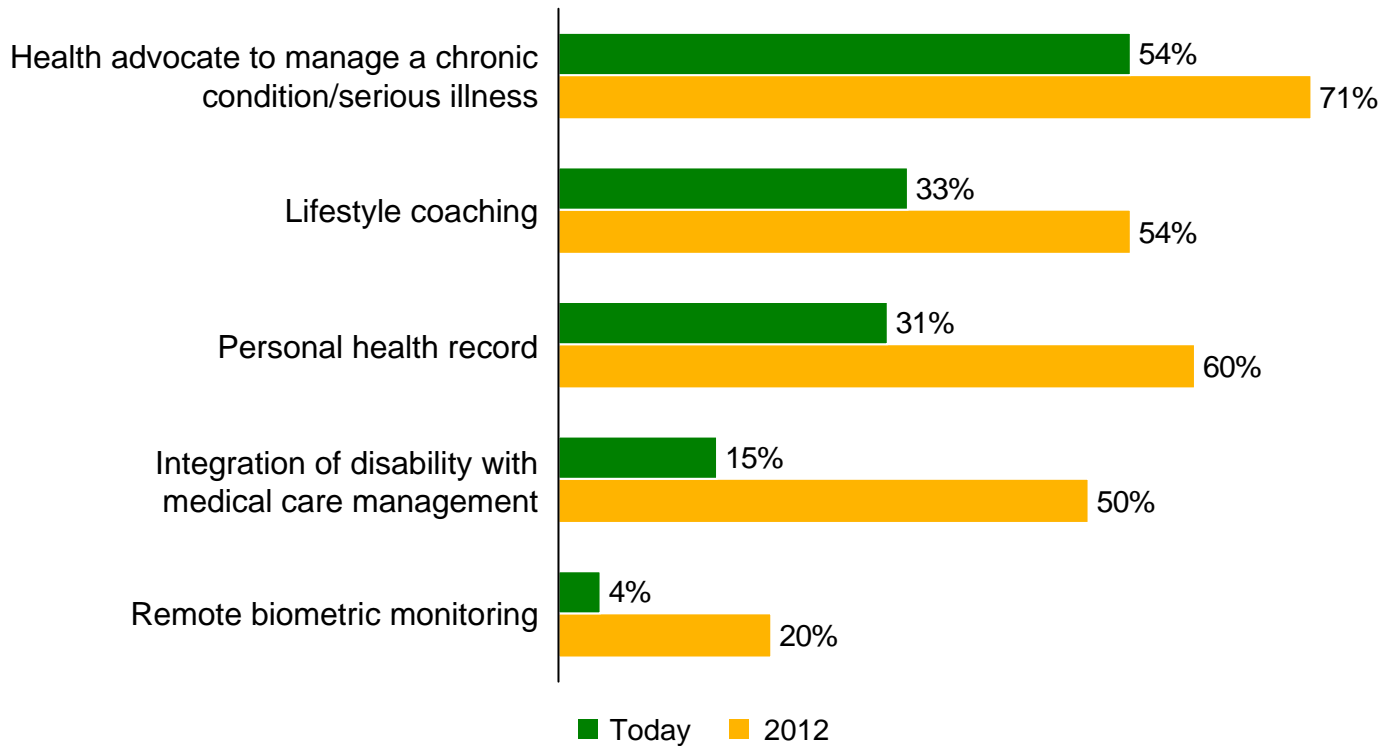
Source: Towers Perrin 2010 Health Care Cost Survey

Towers Perrin 2010 Health Care Cost Survey

Exhibit 9

Personalizing the Health Management Experience: High Performers Lead Emerging Trends

Percent of High Performers Responding Doing/Will Do to a Great/Moderate Degree

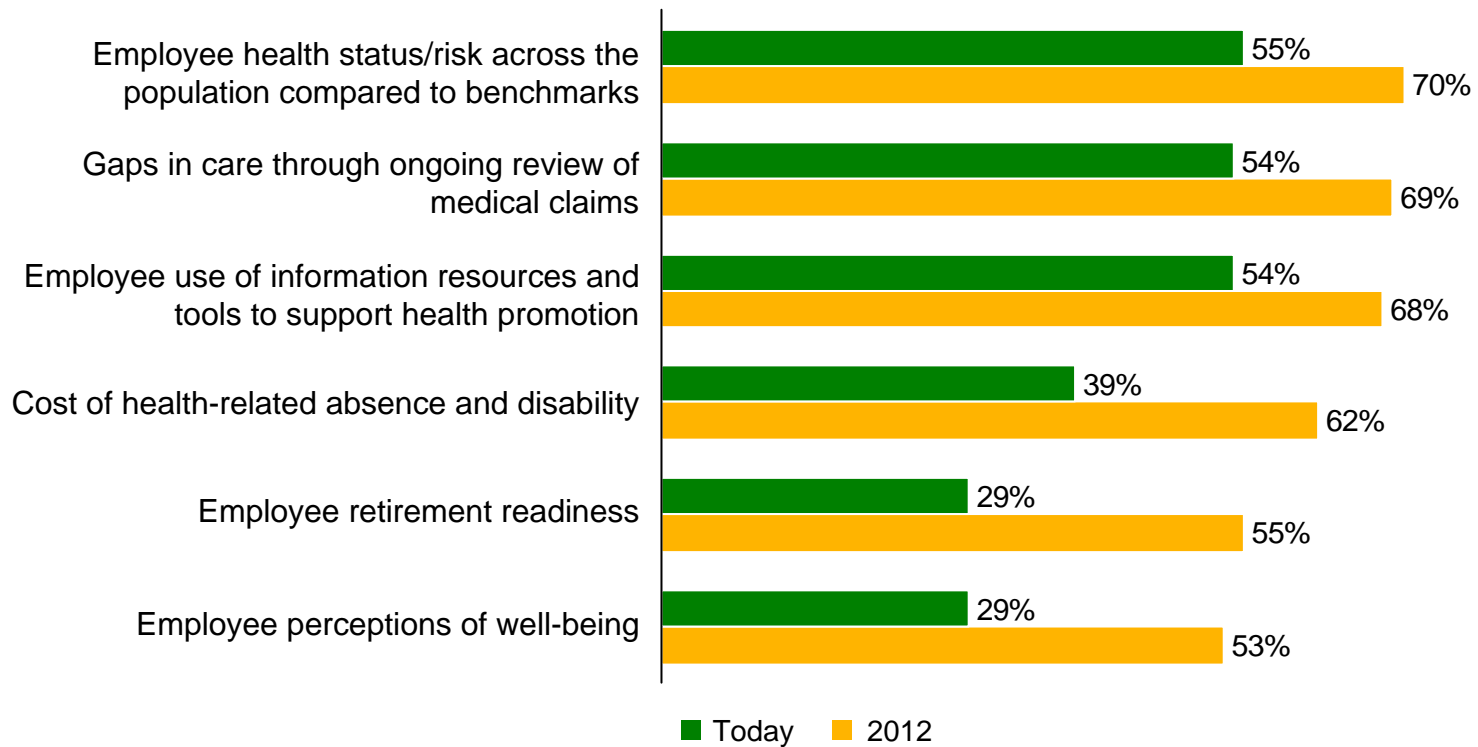


Source: Towers Perrin 2010 Health Care Cost Survey

Towers Perrin 2010 Health Care Cost Survey

Exhibit 10

Measurement Trends: High Performers Anticipate Clearer Insights Into Employee Needs Percent High Performers Responding Doing/Will Do Extensive/Some Measurement



Source: Towers Perrin 2010 Health Care Cost Survey