Amalgamated ADVISOR

Amalgamated Family of Companies   Amalgamated Life ▲ Amalgamated Agency ▲ AliCare ▲ AliCare Medical Management ▲ AliComp ▲ AliGraphics

Message from the President

By David J. Walsh, President and Chief Executive Officer

Amalgamated Life is committed to serving you as a comprehensive resource for life and health insurance products. In addition to creating products that offer the greatest coverage at good values, we also make the necessary investments in people and technologies that help assure our high standard of service.

We place an especially high premium on education and training. There are regularly-scheduled continuing education and training programs to keep our staff up-to-date on our new product offerings, as well as any regulatory developments that may affect our customers. When a customer asks an Amalgamated Life team member a question, they can be confident that they will receive a complete answer promptly and if necessary, be directed to other resource within our company.

Regarding our Information Technology (IT) infrastructure, we continue to make the necessary investments to promote efficient benefits administration and claims processing, accurate and secure information management, and robust reporting. This past year, our IT investments included the installation of two leading-edge programs; a Vitech V3 system, a benefit administration system for health and pension plans, and a Virtual Benefits Administrator (VBA) for benefit administration for life insurance.

Our focus on highly-skilled and informed people and advanced technologies has helped Amalgamated Life gain its 37th consecutive A.M. Best "A" (Excellent) Rating attesting to our strong financial condition and excellent claims-paying ability. It also earned us a place on the prestigious "Ward's 50" which recognized us for achieving outstanding financial results in the areas of safety, consistency and performance over a five year period (2007-2011). More recently, we were notified that Amalgamated Life was ranked 55 in National Underwriter's "NUL Top 100" in the Group Life Category for Net Premiums Written.
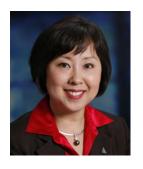
We are proud of all of our achievements, but most proud of our longstanding customer relationships. They are the best evidence that we are fulfilling our mission.

AliCare

AliCare's TPA Service Delivers Real Benefits to SWSCHP

By: John Thornton, Executive Vice President, & Ann Joo Kim, Senior Vice President

For many organizations, having the right third-party administrator (TPA) to manage various aspects of their employee benefit plans is akin to having a vital lifeline. Management derives measurable benefits from the TPA's greater scale and efficiencies such as enhanced flexibility, risk management, cost efficiencies and cash flow. Their employees/members are helped by the TPA's efficient, personalized and responsive services in meeting their benefit needs.

While many large companies have the resources to handle these functions efficiently and cost-effectively in-house, most small-to-mid-sized organizations do not. They find performing benefit plan administration tasks in-house to be prohibitive both from the standpoint of the expertise and essential information technologies they lack. For these organizations, especially self-funded and Taft-Hartley plans, AliCare is a tremendous resource.

In 2011, AliCare won a TPA contract from the State-Wide Schools Cooperative Health Plan (SWSCHP) to provide our hospital and medical claims administration/processing services. This co-operative health plan serves 23 school districts throughout the region, providing members and their dependents with outstanding medical, hospital and prescription drug benefits at affordable costs. The non-ERISA client sought the type of TPA services that AliCare provides.

AliCare's TPA role on behalf of SWSCHP is to provide a seamless, high quality claims administration and adjudication service. What earned AliCare the SWSCHP accounts and also contributes to our many longstanding relationships is the level of service we provide which many other TPAs do not. Our service quality stems from both our in-depth expertise relating to the many nuances of self-funded and Taft-Hartley Plans, our leading-edge IT systems, our strong relationships with managed care and provider networks, as well as, our being part of the Amalgamated Family of Companies.

According to SWSCHP Executive Director, Norm Freimark, the relationship with AliCare is proving extremely beneficial. "When our members' claims are being handled efficiently and with courtesy and professionalism as they are by AliCare's representatives, we cannot ask for more. Meeting our members' needs is our top priority. Having a high quality resource like AliCare to support that objective and also keep us informed with regular, detailed reporting is critical."

As part of the Amalgamated Family of Companies, AliCare can provide full, a la carte offerings from our comprehensive TPA services to the synergistic services offered by our sister companies. For example, many companies welcome the opportunity to work with our sister company AliCare Medical Management to address their medical case management services, as well as Amalgamated Life, a resource for their group life, medical stop loss insurance and disability insurance needs.

Another advantage AliCare brings to the table is our company's experience working with "The Blues" – the 39 independent, Blue Cross and Blue Shield companies across the country that collectively provide healthcare coverage for approximately 100 million Americans – one in three Americans. The Blues have a strong appeal to many self-funded plans because of this extensive network. AliCare's streamlined claims adjudication process and this network work very well together.

The SWSCHP program went live on September 1st, 2011, following a long and thorough implementation process which began in May 2011. Early on in the relationship, SWSCHP clearly noticed and appreciated AliCare's high quality of service because of all the value-add AliCare had already given; something else which differentiates AliCare from many other TPAs. One area in which this "value-add" was demonstrated was AliCare's role in ensuring all claims were handled accurately and consistently in their plan. AliCare effectively assisted in the SWSCHP plan's re-design serving them more as a true "business partner" and not merely as a vendor. This "partnership" attitude was evident from the Request for Proposal (RFP) process to the contract award phase and program implementation. It is how business is done at AliCare and why organizations like SWSCHP continue to select our company as their TPA.

Brokers Corner
Benchmarking for Performance

Within the Amalgamated Family of Companies, using metrics to monitor and maintain excellent customer service is standard operating procedure. Member companies, including Amalgamated Life, our insurance provider, AliCare, our third party administrator, and AliCare Medical Management, actively benchmark performance.

Amalgamated Life and AliCare, for instance, have been participating in benchmarking studies since 2008. Today, caller satisfaction is a top priority for its call cen-

ters. Tracking and benchmarking of Key Performance Indicators (KPIs) within its customer contact center activities are performed against such criteria as: average speed to answer, call abandoned rate, call transfers, percent of calls placed on hold, and average hold time. Efficiency KPIs are used to help measure cost efficiency in conjunction with the number of calls per agent, average after call work time, talk time, agent occupancy and agent/turnover/competitive salary. Calls and caller types are measured along with first call resolution, complaint calls and resolutions and, after the call surveys which

are reviewed year-end. All calls are recorded and a percentage of them are evaluated to assure customer experience effectiveness. The companies also apply workforce management tools to effectively forecast and schedule staff based on call trends. Finally, the agents-to-supervisor ratio (i.e., "The Span of Control") is also measured and maintained at optimal levels.

According to Rey Lago, executive director, customer advocacy, "It is becoming increasingly recognized that benchmarking is an essential function for properly-managed customer contact centers. The insights, efficiencies and aids to decision-making that are offered through benchmarking are so compelling that managers of customer contact centers cannot do without it. We consider our customer contact centers in line with professional and industry standards."

Amalgamated Life's and AliCare's commitment to benchmarking has paid off. Lago indicated marked improvements in customer satisfaction resulting from first call resolution, and decreases in complaints and escalated calls. The company is also recording improvements in its average speed to answer (ASA) and abandoned rates for the past four consecutive years. Its first call resolution is over 95%, which exceeds most industry benchmarks. Its ASA is now down to 27 seconds

and it has a low abandoned rate of just 2%. Based on its success, the company plans to expand its benchmarking in the area of classification metrics; that is where agents spend their time in written correspondence vs. calls or other work, emails and other efficiency/route cause analysis KPIs.

Another company in the Amalgamated Family of Companies, AliCare Medical Management, a medical case management firm, has been involved with benchmarking since 1995 to maintain compliance with its URAC accreditations and some contractual obligations. The company captures ASA, average length of call, blockage rate, call abandonment rate, call volume and agent productivity. In addition, its benchmarking initiative includes conducting: satisfaction surveys, complaint notifications analysis and length of stay analysis, as well as denial, appeal and overturn rates. If any of the results of its benchmarking studies do not meet its goals, an action plan is implemented promptly to raise performance to the expected levels. Performance is monitored on a daily, weekly, monthly and annual basis.

Like its affiliated companies, AliCare Medical Management's benchmarking places it in strong standing against other companies in terms of its performance and customer satisfaction.

AliGraphics
How to Provide Your Pre-Press Materials for Printing

By John Dubil, *President AliGraphics*

As a full-service printing, graphic and mail house provider, AliGraphics strives to provide its clients with high quality printed materials, delivered to specification, on-time and on-budget. Our success, while largely dependent on the skill-set of our professional team and the high performance equipment we use, also depends on how the pre-press materials are handed off to us. There are several guidelines to follow when providing files to a printer which will factor in how efficient the printer can be on your behalf. Let's start with the basics.

When selecting a printer, choose an organization that meets the requirements of your specific job. If you have a small run and need it produced quickly, seek out a printer that has a proven track record handling these kinds of jobs. If your print job is of a large/wide format, make certain the printer you select has this capability. Similarly, if you require bindery and/or mail house/fulfillment capabilities in conjunction with a specific job, specifically inquire about these capabilities.

Provide the printer with all of the necessary materials and information in order to receive an accurate cost

estimate and schedule for completion. Let the printer know the type of artwork which will be supplied and, name and label your files clearly and with the right extensions indicating the program in which they were created (i.e., QuarkXPress/.qxd; PDF/.pdf; Illustrator/.ai or.eps, etc.). Make sure your files have been designed to the actual size in which the piece will be printed/produced and provide large, high resolution (300 dpi minimum) digital images to assure quality. Regarding colors, keep in mind that offset printing requires files to be provided in CMYK for full color process or spot colors, depending on your final printing results. RGB files will produce different printing results when converted to CMYK.

- Number of colors to be printed either Full Color Process or Spot Colors
- Whether the job is to be printed one-side or two-sides
- Typeface/font and size
- Whether the file contains images, bleeds, etc.
- Paper stock
- Finishing touches such as embossed, stamped, saddle-stitched, perfect bound, folding, etc.
- Quantities

- When you will be providing the materials and a soft proof (hardcopy of PDF) indicating how you want the piece to look
- Collected design files containing: the file, all fonts used and all linked artwork
- Specify your required completion date

Always ask to have the opportunity to review a soft proof (hardcopy or PDF) and approve a proof prior to

the full press run being implemented. The task of reviewing the job at this juncture should be left to someone with experience such as a representative from your ad agency or a member of your in-house advertising/marketing department familiar with the print production process.

By following these basic guidelines, you will contribute to a successful print project's completion.

Community Involvement

The Amalgamated Family of Companies recently presented a $5,000 Contribution to Habitat for Humanity of Westchester, (New Rochelle, NY), an organization dedicated to eliminating poverty housing and homelessness throughout Westchester County. At the time, Amalgamated Life President and CEO David J. Walsh said, "We applaud and support the mission of Habitat for Humanity of Westchester and its role in helping to provide homes for families in need. Like the organization, we believe every American should have a decent place to call home for themselves and their families."

Mr. Walsh, along with Amalgamated's Executive Vice President and Chief Financial Officer Paul Mallen presented the contribution to Habitat for Humanity of Westchester's Executive Director Jim Killoran at Amalgamated's White Plains, NY headquarters on May16th.

Amalgamated Family of Companies Charity Committe with Dave Walsh, Pres. & CEO, Paul Mallen, EVP/CFO and Jim Killoran, Exec. Director of Habitat for Humanity, Westchester.

Amalgamated Life Ranks among the 2012 National Underwriter Life & Health Magazine's Top 100 – Places 55 in Net Premiums Written in Group Life Category

Amalgamated Life earned a place on the prestigious National Underwriter Life & Health Magazine's Top 100 – a series of lists ranking the 100 highest performing companies based on net premiums written in various categories. Amalgamated Life placed 55 in the Group Life category. The data was compiled by SNL Financial along with the NAIC filings database and information made public by the carriers. SNL provides information on insurance carriers pertaining to financial benchmarking, competitive analysis, market entry/exit decision-making, industry aggregates and market share analysis. For more information on the list, visit: www.lifehealthpro.com/2012/09/01/the-2012-nul-top-100

New Customer Service Hours
Monday – Thursday 8:00 a.m. to 8:00 p.m.
Friday – 8:00 a.m. to 6:00 p.m.
Saturday – 9:00 a.m. to 2:00 p.m.

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