



THE BENECO PREMIUM RESERVE ACCOUNTING SYSTEM

Prevent lapses in employee insurance coverage by holding premiums in “reserve”

Are you a public works contractor concerned with interruptions of insurance coverage due to seasonality? Enhance your insurance coverage with the Beneco Premium Reserve Accounting System.

How does it work?

- You are able to contribute greater than the normal monthly premium for your employees. Regulations allows employees to “bank” up to (4) months of premiums in reserve. Total contribution amounts are at the employer’s discretion.
- Contributions are put into an irrevocable trust
- The employer tracks hours worked and makes contributions on a monthly basis
- The amount “in reserve” can be used for monthly premiums if there is an interruption of work due to weather, seasonality, etc.

What are the benefits?

- Beneco tracks all reserve contributions on a monthly contribution statement
- Quarterly audits are done to alert if there are over 4 months of premiums in reserve
- Helps prevent lack of insurance coverage due to work interruptions

In our case study on the next page, see how ABC Paving Company uses the Premium Reserve for continuous insurance coverage for their employees.



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Case Study: ABC Paving Company

Based in the Northeast with 8 field employees, ABC Paving Company shuts down November 1 to March 1 due to weather. They are concerned about their employees' insurance coverage during the suspension of work. Below illustrates how the premium Reserve keeps ABC's employees covered during winter months.

Employer Tracks Hours:

Employee	Monthly Public Job Hours	Monthly Private Job Hours	Total Monthly Hours	Monthly Contribution Amount
Employee # 1	80	40	120	\$150
Employee # 2	80	40	120	\$150
Employee # 3	80	40	120	\$150

Beneco Tracks Contributions & Reserves:

Employee	Monthly Contribution Amount	Monthly Premium Amount	Monthly Reserve Balance
Employee # 1	\$150	\$100	\$50
Employee # 2	\$150	\$100	\$50
Employee # 3	\$150	\$100	\$50

- After 8 months of work, each employees' reserve balance totals \$400 (8 x \$50)
- Based on the monthly premium amount of \$100, each employees' \$400 reserve balance will pay for premiums during the interruption of work from November 1 to March 1 (\$100 per month for 4 months)
- Employees are now covered for all 12 months of the year!

Beneco and ABC Greater Baltimore: Partnering for your success