



CASE STUDY

Audit of Retiree Life Insurance Plan Reveals \$5M in Outstanding Benefits to Be Paid



The Request

Examine a customer's Retiree Life insurance plan for opportunities and accuracy through a carrier change

Company Profile

Industry: Oil & Gas

Number of Retirees: 11,000

Request

After working with the same vendor for many years, this oil and gas customer requested Brown & Brown review their Retiree Life insurance plan. The company worked with the Strategic Non-Medical Solutions team to examine the customer's plan for opportunities and accuracy. Through this process, it was recommended the company consider a carrier change.



The Solution

Worked with a national consulting and advisory services firm to conduct a thorough plan analysis

Solution

An initial review of the plan and administration uncovered a complicated web of electronic and paper files. The Brown & Brown Strategic Non-Medical Solutions team reviewed the eligibility file sent to the carrier and suspected the customer might be paying the premium on retirees who had already passed.

The team worked closely with a national consulting and advisory services firm with access to the Social Security Death Master File (DMF), which helps customers achieve and maintain compliance through ensuring appropriate benefit payments. With the eligibility file, the firm conducted a thorough comparison of the customer's covered retiree population against the Social Security DMF. This process would determine if any covered retirees passed away without having the corresponding life claim filed with the insurance carrier.



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The Results

Refunded retroactive premium from carriers, and the customer will pay correct premium amounts in the future

Results

The search revealed that 425 retirees on the plan passed away with no benefits paid, representing nearly \$5,000,000 in death benefits due to be paid out to beneficiaries. Since the claims were incurred over a significant period, three separate carriers needed to be alerted. The Brown & Brown Strategic Non-Medical Solutions team quickly validated the data with the carriers and issued payments to beneficiaries on file.

The customer was refunded retroactive premium from the carriers, some of which go back as many as ten years. Moving forward, the customer will pay correct premium amounts due to the carrier change.



How Brown & Brown Can Help

Connect with our Brown & Brown team to learn about our knowledge in your industry, how we build our non-medical benefit strategies and how we can aid your business in building a cost-saving employee benefits program.



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