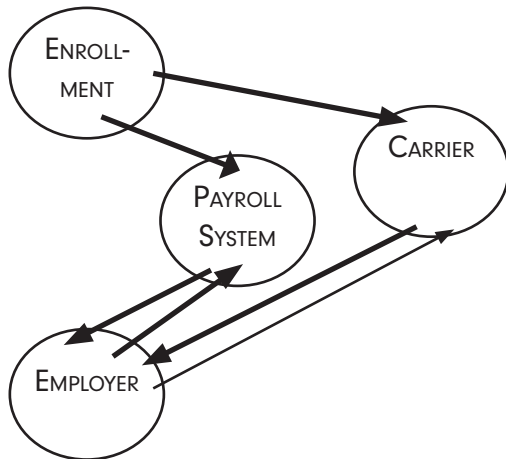


Reconciliation: The Paylogix Approach

The 'Reactive' Approach

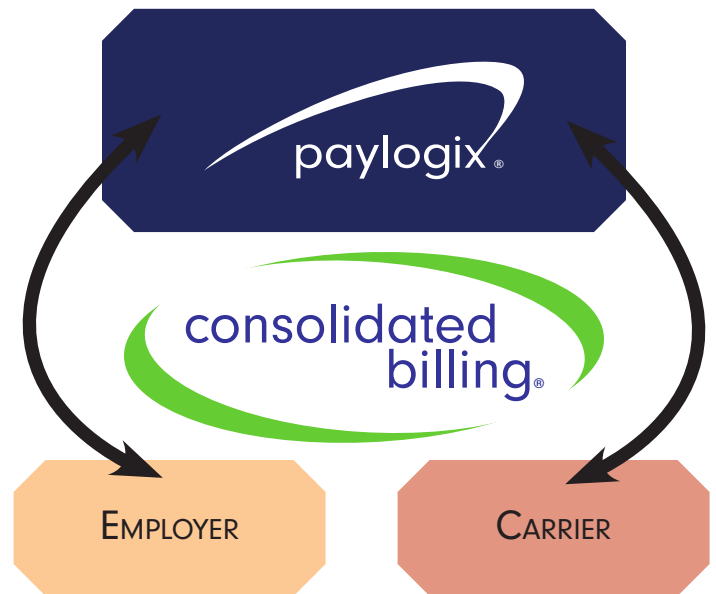


Traditional Billing & Premium Remittance

1. The enrollment is completed and the employer's benefits department, payroll system, and all the different carriers and other benefit provider companies must be updated individually.
2. Each month, the employer remits payment to each carrier separately for employer and employee paid benefit premiums.
3. After a certain period of time, each individual carrier will send a bill (or file, or spreadsheet) to the employer which does not always match the employer's records.
4. The employer must then review each bill with each carrier in an attempt to 'reactively' reconcile the payments to the policies after the fact.
5. Steps 1 through 4 repeat with changes, new hires, and terminations added to the process.

The Paylogix Approach

Consolidated Billing® & Common Remitter®



1. After enrollment, carriers provide premium billing information to Paylogix. For self billing products, we receive billing data from the benefit administration system.
2. For premium processing, we provide efficient, & accurate electronic file exchange. We take care of payroll deduction updates, premium remittance, reconciliation, and disbursement of premium.
3. We post premium payments at the policy level. Reconciliation is performed to the penny each billing period. We reconcile weekly, bi-weekly, semi-monthly, monthly, etc., based upon each employer's requirements.
4. We disburse premium to each carrier. We provide and maintain records and audit trails for the participant, policy transaction, and payment history.
5. Steps 1 through 4 repeat each billing period.