



**CASE STUDY:**

Holland Roofing Group

# Disrupting the health benefits game

Holland Roofing Group turns to Custom Design Benefits for something different – and better.



# Introduction

As President of Holland Roofing Group, Bob Rack knew the game all too well. He was just getting tired of playing it.

Every year, he would shop around for a new health insurance provider to find the best plan to provide strong yet affordable benefits to his employees and minimize healthcare expenses. It worked, but oftentimes it would create a hassle for the employees.

While one provider might have an employee's primary care physician in network, the other might not, leaving some employees scrambling to find new in-network doctors and specialists every year. And no matter where he turned, the rates continued to rise or were offset by a less comprehensive plan.

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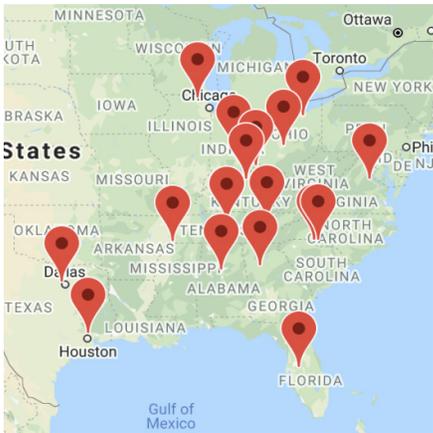
*Bob Rack – President*

# Company Background



Hans Philippo established Holland Roofing Group in 1986 after moving to the United States from Holland, the Netherlands. He settled on the outskirts of Cincinnati, Ohio and started a family. Holland Roofing Group's first year saw the company with 10 employees and more than \$1.5 million in revenue. Those numbers, as well as the company's footprint, grew over the next 34 years.

The company, headquartered in Florence, Kentucky, has 30 offices across the Midwest and Southeast regions of the United States and more than 400 employees. The company also has branches in Costa Rica and, fittingly, Holland. Holland Roofing Group provides commercial roofing, sheet metal and general waterproofing services, as well as leak repairs and day-to-day services. The company has three divisions that handle different aspects of roofing expertise – roofing, maintenance and management.



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# Unfair playing field



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*Bob Rack – President*

Bob Rack considers himself a process disruptor when it comes to life's norms. If something is always done a certain way, he looks to disrupt that process and find a better alternative.

He kept trying different approaches to health benefits for his company and his employees, but often with the same results. Switching between health benefit providers offered some relief, but it never solved the problem. Premiums continued to rise, and he and his employees were stuck every year paying more money out of pocket for lessening benefits.

“The problem is the providers and the carriers have too close of a relationship and that, in my mind, provides a lack of transparency,” Rack said. “Insurance providers are basically

finding ways to take as much as they can while appearing to provide a huge discount.”

Rack wanted an affordable health benefits plan for his employees that also provided great benefits.

“My goal was to get a Cadillac plan at a great price,” he said. “That was the driving force for me to look elsewhere.”

His search actually began – subconsciously – months before he reached out to another disruptor like himself. During his daily commute he often took notice of a building with a large sign that read Custom Design Benefits, and he wondered what they did.

# Evening the score

Rack's curiosity in Custom Design Benefits paid off well for Holland Roofing Group. After seeing that sign multiple times and eventually meeting one of their satisfied customers, Rack called his broker and the relationship began.

"The bottom line was to find an affordable plan for our employees that was also a great plan," he said. "When I looked into Custom Design Benefits, I learned they are a disrupter too. That caught my eye."

Something else caught his attention right away – the savings. In their first year, Holland's per employee per year (PEPY) benefit cost was \$6,290, a savings of 47% compared with the Mercer national average PEPY (\$11,920) in 2016. Each year since that trend has continued, with Holland's PEPY benefit cost falling at minimum 40% below national average and up to 58%. Had Holland Roofing Group continued with traditional health insurance providers, they could have ended up spending an additional \$30,000

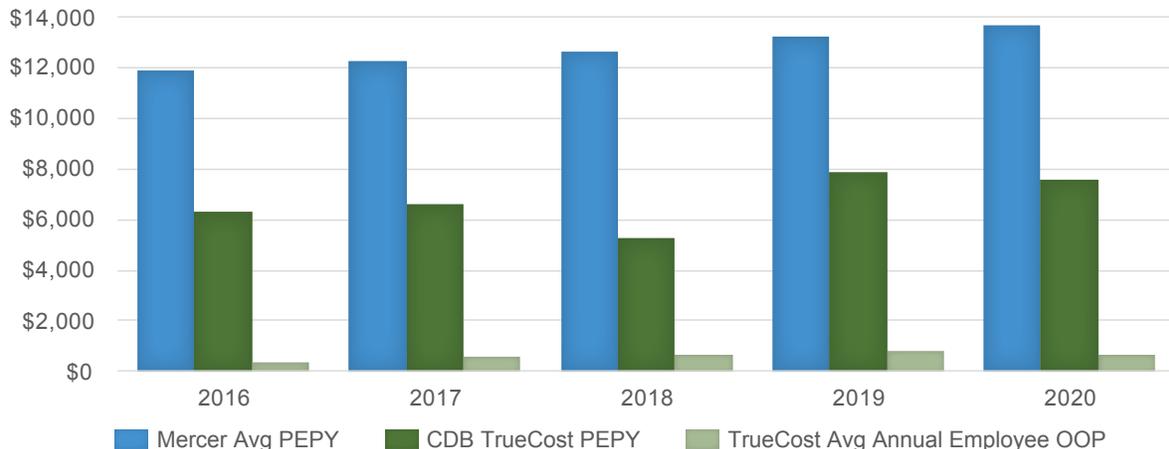
per employee on their health benefits during those five years, using the Mercer average figures as the point of comparison. That has offset the need to raise premiums.

"We went from having an artificially high bill (from the major carriers) to Custom Design Benefits doing reference-based pricing," Rack said. "That was what appealed to me. Their TrueCost program brought some honesty to a barely transparent system."

TrueCost is Custom Design Benefits' national recognized reference-based pricing (RBP) program, where they work with healthcare providers to mitigate inflated health care prices, bringing them closer to their actual cost.

"In any situation, you're getting something at a cheaper price than what the bill says," Rack said. "Plus, I'd rather send an email back and forth with Custom Design Benefits than with a big insurance provider."

**Holland Roofing with CDB's TrueCost vs. Mercer Average Total Health Care Cost Per Employee Per Year (PEPY)**



# Self-confident on self-funding

Bob Rack likes that Holland Roofing no longer needs to play the health insurance game, and his employees like the stability of a great plan with no deductible or co-insurance.

“We’ve held steady with Custom Design Benefits,” he said. “It’s saved us and our employees a lot of money.”

Going forward, Rack plans to keep turning to Custom Design Benefits to administer his employees’ health benefits.

“I’m impressed with them,” he said. “I love the concept of a disrupter approach to change up an industry that is stale and stagnant.”



Contact Your Broker,  
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