



A&M PRIME™

- Attract and Retain Top Physicians
- Enhance Participant's Financial Well-Being
- Minimize Hospital's and Participant's Costs

ATTRACT & RETAIN

For the Hospital Sponsor - Business Concerns

1. Environment driving hospitals to integrate physicians into their business model.
2. Operating / compliance costs increasing.
3. Recruiting and retaining top physicians & executives key, but very competitive market.

A&M PRIME™ provides a unique, creative, flexible, and cost-effective program to assist an employer in recruiting, retaining, motivating and rewarding key management and professional medical talent.

- Employer selects who participates, and at what level
- Option to annually vary employer matching contribution and participant cost, through:
 - Secured loan to participant
 - Special bonus to participant (can be tied to performance metrics)

ASSET ACCUMULATION

For the Participant - Personal Concerns

1. Accumulating funds for personal use, supplemental retirement income, financial emergencies
2. Providing coverage for chronic, critical, or terminal illness costs
3. Providing income tax-free cash liquidity for heirs upon death

A&M PRIME™ provides a highly leveraged and tax-advantaged vehicle that addresses these concerns

NO P&L HIT • NO BALANCE SHEET HIT • MINIMAL CASH FLOW IMPACT

Employer Financial Impact

A&M PRIME™ financial impact to the sponsoring employer:

1. Earnings / P&L – no negative impact.
 - Secured loan to participant – no charge to earnings
 - Bonus to participant – usually tied to “performance” metrics
 - Charges offset by productivity realized
2. Balance Sheet – no negative impact.
 - Secured loan creates balance sheet asset
3. Cash Flow – Employer contributions offset by reducing cost of employee turnover.
 - Secured loan to participant – will be recovered with interest
 - Bonus to participant – tied to “performance” metrics
 - Charges offset by productivity realized

Unique Funding Arrangement

A&M PRIME™ uses a combination of:

1. Institutionally priced, customized indexed universal life (IUL) insurance arrangement;
2. Tailored third-party premium financing arrangement.

PROTECTION

These combined arrangements are only available through an employer sponsored program; not available to an individual independently.

- Structured to meet all of the “best practices” requirements of recently issued federal regulations
- Ties its growth to one or more specific indices (e.g., the S&P 500)
 - Hedged on the downside to never credit less than 0%
 - Gains are “capped” on the upside (currently around 12%)
- Insurance coverage issued without providing participant medical information (“guaranteed issue”)
- Third-party premium financing provides significant funding leverage (e.g., 3:1)

Next Steps

1. Select a specific group of key management and physicians for the A&M PRIME™ program.
2. A&M provides nondisclosure agreement (NDA) to employer.
3. Employer provides census data.
4. A&M creates a proprietary interactive analytical financial model (IAFM):
 - Tailored to the selected group
 - Allows employer to explore, person by person, program design components, employer benefits/costs, and individual participant benefits/costs
 - A&M will generate initial IAFM at no cost or obligation to the employer
5. A&M will provide materials for review by the employer, addressing:
 - Legal, tax and accounting due diligence
 - Program communication – to senior management, the Board, and selected participants
 - Enrollment and ongoing administrative processes

FREE ANALYSIS



A&M SETS THE STANDARD

*Tackles complex Business Issues
Boosts Operating Performance
Maximizes Stakeholder Value*

ABOUT ALVAREZ & MARSAL

Privately-held since 1983, Alvarez & Marsal (A&M) is a leading global professional services firm that delivers performance improvement, turnaround management and business advisory services to organizations seeking to transform operations, catapult growth and accelerate results through decisive action. Our senior professionals are experienced operators, world-class consultants and industry veterans who draw upon the firm’s restructuring heritage to help leaders turn change into a strategic business asset, manage risk and unlock value at every stage.

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