

National News

Sam's Club To Sell Tailored Health Plans for Small Firm Members

By Marcus Kabel
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The Sam's Club division of Wal-Mart Stores Inc. will offer its small-business members individualized health care plans intended to make it easier and cheaper to cover their employees in the face of rising health insurance costs, the company said.

The warehouse membership club division of the retail giant based at Bentonville, Ark., is teaming up with Salt Lake City-based insurance broker Extend Benefits Group LLC to provide the service, called ExtendChoice, starting Jan. 4, the company announced.

"Small business owners are having a difficult time being able to afford solutions for themselves and their employees. This is an area where we can provide a solution that has not been in the market before," Mark D. Goodman, Sam's Club executive vice president for marketing, membership and e-Commerce, told The Associated Press.

The National Federation of Independent Business in Washington, which lobbies on behalf of more than 500,000 small businesses, says health coverage costs and accessibility are the number one issue for its members.

Goodman said Sam's Club has previously offered small-business health plans in some states, but those were traditional group plans without many alternatives in costs or benefits.

The new service will be available nationally and offers much more individual tailoring to a company's needs. It will allow employers to define exactly how much they want to contribute and then let employees take that contribution and pick from hundreds of plans based on the benefits they want and premiums and deductibles they are willing to pay.

The service will not generate revenue for Sam's Club but will be an added selling point for annual memberships, which account for the majority of Sam's Club profits.

"It's a way for us to add value to you being a member at Sam's," Goodman said.

For a \$35 annual basic business membership, small business owners can sign up with Extend Benefits for \$150 rather than the usual \$500 fee charged by the broker, Wal-Mart said. That includes a personalized Web site and telephone support for employees choosing a plan. The sign-up fee is waived entirely for businesses with an extended service Sam's Club membership that costs \$100 a year, Goodman said.

Sam's Club has nearly 48 million members but does not provide a breakdown of how many of those are businesses.

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