

Meet THE PRINCIPAL® 10 BEST COMPANIES for Employee Financial Security

AMERICAN SOCIETY OF HEALTH-SYSTEM PHARMACISTS

BETHESDA, MD

Type of business: Professional membership association for pharmacists who work in hospitals and health systems

Number of employees: 199

Founded: 1942

Web site: www.ashp.org

Benefit highlights:

- 88 percent employer-paid medical insurance premiums for employees; 50 percent employer-paid medical insurance premiums for dependents
- 401(k) plan with employer match of 100 percent up to six percent of pay; average employee deferral of eight percent, 93 percent employee participation rate
- 457 plan
- Defined benefit pension plan
- 100 percent employer-paid premiums for short- and long-term disability insurance

Percent of employees participating in 401(k) plan: 93 percent

How they've dealt with rising medical insurance costs: This organization's medical insurance costs increased by five percent in 2003 – a welcome break from the double-digit increases they experienced in prior years. A change in carriers helped lower their rates.

Other interesting facts:

- Offers tuition reimbursement
- Offers wellness programs, including free, on-site flu shots and blood pressure screenings
- Staff recognition program

"New staff members are always impressed with the breadth and depth of benefits we offer. The benefits package promotes employee longevity and loyalty."

*– Dr. Henri R. Manasse, Jr., Ph.D., Sc.D.,
executive vice president and CEO,
American Society of Health-System Pharmacists*

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AMERICAN UROLOGICAL ASSOCIATION EDUCATION AND RESEARCH, INC.

LINTHICUM HEIGHTS, MD

Type of business: Professional membership association for urologists

Number of employees: 101

Founded: 1902

Web site: www.auanet.org

Benefit highlights:

- 100 percent employer-paid medical insurance premiums for employees; 85 percent employer-paid medical insurance premiums for dependents
- 403(b) plan with employer match of 50 percent up to six percent of pay; average 403(b) deferral of 7.6 percent
- Profit sharing plan with annual company contribution of six percent of pay for the first four years and 10.8 percent of pay for every year after that
- 100 percent employer-paid medical and prescription drug insurance for retirees
- 100 percent employer-paid premiums for short- and long-term disability insurance

"Our turnover is really low, and I think that can be attributed to benefits."

– Deborah Scoblick, director of human resources, American Urological Association Education and Research, Inc.

Percent of employees participating in 403(b) plan: 72 percent

How they've dealt with rising medical insurance costs: American Urological Association initially received a 25 percent increase in medical insurance costs in 2003. After negotiating with the insurance company and making some low-impact changes to the plan, the organization experienced only a three percent increase in 2004.

Other interesting facts:

- Offers tuition reimbursement
- On-site fitness center

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CLIPPER BELT LACER COMPANY

GRAND RAPIDS, MI

Type of business: Manufacturer of maintenance products for conveyor belts. Acquired by Flexco in 1995.

Number of employees: 80

Founded: 1908

Web site: www.flexco.com

Benefit highlights:

- 100 percent employer-paid medical insurance premiums for employees; 90 percent employer-paid medical insurance premiums for dependents
- 401(k) plan with employer match of 33 percent up to six percent of pay; average 401(k) deferral of six percent
- Profit sharing plan
- Defined benefit pension plan
- 90 percent employer-paid prescription drug insurance for past retirees
- 100 percent employer-paid premiums for short-term disability insurance

"Employees give us their best, so we need to make sure we provide benefits that give back to employees."

*– Nancy Ayres, general manager,
Clipper Belt Lacer Company*

Percent of employees participating in 401(k) plan: 96 percent

How they've dealt with rising medical insurance costs: Clipper Belt Lacer's medical insurance costs increased by 14 percent in 2003. "We had three goals for our health plan last year – control costs, link wellness with healthcare and make costs more visible," says Nancy Ayres, general manager at Clipper Belt Lacer. The company offers flexible hours for employees to workout in its in-house fitness center. Thanks to the company's efforts in these areas, their medical insurance costs will only increase by two percent in 2005. The company will redirect the health care cost savings to support more wellness initiatives.

Other interesting facts:

- Offers extensive wellness programs; through one such program, employees can earn \$500 by quitting smoking or by meeting health and exercise guidelines
- Hired a financial planner to work one-on-one with each employee

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DISTILLED SPIRITS COUNCIL OF THE UNITED STATES, INC.

WASHINGTON, D.C.

Type of business: National trade association representing producers and marketers of distilled spirits sold in the United States

Number of employees: 50

Founded: 1973

Web site: www.discus.org

Benefit highlights:

- 100 percent employer-paid medical insurance premiums for employees; 85 percent employer-paid medical insurance premiums for dependents
- 401(k) plan with employer match of up to four percent of pay; average 401(k) deferral of 9.5 percent
- Defined benefit pension plan
- 100 percent employer-paid premiums for long-term disability insurance

Percent of employees participating in 401(k) plan: 92 percent

How they've dealt with rising medical insurance costs: Distilled Spirits Council of the United States, Inc.'s medical insurance

"In today's world, benefits are extremely important. They create a sense of security and therefore loyalty to the organization."

– Dr. Peter Cressy, president and CEO, Distilled Spirits Council of the United States, Inc.

costs increased by 8 percent in 2003. To help control costs, the organization shifted from a customized policy to a less expensive standard policy. "We had some options the insurance company typically didn't include," explains Jean Gooding, vice president of finance and administration for the Council.

Other interesting facts:

- Self-insures its short-term disability benefit, which protects 100 percent of income at no cost to employees
- Gives employees access to a financial advisor to assist with retirement planning

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ELTECH SYSTEMS CORPORATION

CHARDON, OH

Type of business: Provides a wide range of products, technology and services to the electrochemical industry

Number of employees: 180

Founded: 1982

Web site: www.eltechsystems.com

Benefit highlights:

- 85 percent employer-paid medical insurance premiums for employees and dependents
- 401(k) plan with employer match of 100 percent up to the first three percent of pay, then a match of 50 percent on the next three percent of pay; average employee deferral of 8.8 percent
- Defined benefit pension plan
- 85 percent employer-paid medical and prescription drug insurance, up to a cap, for retirees
- 100 percent employer-paid premiums for short-term disability insurance

Percent of employees participating in 401(k) plan: 95.5 percent

How they've dealt with rising medical insurance costs: The company's self-insured medical costs increased by 17 percent in 2003. As part of their ongoing campaign to educate employees on the cost and proper use of healthcare services, ELTECH asks employees to share in the expense. "The company pays the vast majority, but we believe it's equally important that the employees share the cost," says Scott Lloyd, general counsel and vice president of human resources at ELTECH Systems Corporation.

Other interesting facts:

- Relies heavily on its benefits program to help attract highly technical, highly trained employees to a small Ohio town
- Often uses one-on-one communication to make sure each employee understands and gets the most value from the benefits package

"This benefits package gives us the edge we need to make sure we get the people we need."

– Clyde Schock, senior vice president and CFO, ELTECH Systems Corporation

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FIRST NATIONAL BANK OF GREENCASTLE

GREENCASTLE, PA

Type of business: Locally owned community bank

Number of employees: 112

Founded: 1864

Web site: www.fnbgc.com

Benefit highlights:

- 100 percent employer-paid medical insurance premiums for employees; 75 percent employer-paid medical insurance premiums for dependents
- 401(k) plan
- Profit Sharing Plan with a company contribution of up to five percent of pay, based on the company's return on equity
- Money purchase plan with a guaranteed company contribution of three percent of pay
- ESOP plan with a company contribution of up to five percent of pay, based on the company's return on equity
- 100 percent employer-paid premiums for short- and long-term disability insurance

Percent of employees participating in 401(k) plan: 68 percent

How they've dealt with rising medical insurance costs: First National Bank of Greencastle's medical insurance costs rose by 22 percent in 2003. The company keeps a close eye on medical insurance developments. "We're really monitoring what's out there as far as costs and options," says Jeff Schank, CEO.

Other interesting facts:

- Offers employees free bi-annual health screenings
- Offers tuition reimbursement

"We value our employees highly and try to take good care of them."

*– Diana Traver, human resources manager,
First National Bank of Greencastle*

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LEUPOLD & STEVENS, INC.

BEAVERTON, OR

Type of business: Manufacturer and marketer of premium rifle scopes, binoculars and other recreational optic accessories

Number of employees: 536

Founded: 1907

Web site: www.leupold.com

Benefit highlights:

- 88 percent employer-paid medical insurance premiums for employees; 55 percent employer-paid medical insurance premiums for dependents
- 401(k) plan with employer match of 50 percent up to 6 percent of pay; average deferral of 10 percent
- Defined benefit pension plan
- Profit sharing plan that averages about ten percent of annual salary. Profit sharing contributions that are deferred into the 401(k) plan also qualify for the 401(k) match of 50 percent up to six percent of pay
- 100 percent employer-paid premiums for life, accidental death & dismemberment, short- and long-term disability insurance

Percent of employees participating in 401(k) plan: 80 percent

How they've dealt with rising medical insurance costs: Leupold & Stevens saw a relatively low benefits insurance increase of five percent in 2004. "We're seeing the benefits of changes we've made," explains Ruth Ross, risk management supervisor at Leupold & Stevens. The company added wellness programs and boosted its employee education on prescription drugs and disability management. Minor plan design modifications also helped to keep costs down without significantly impacting the level of benefits.

Other interesting facts:

- Death benefit includes financial planning and tax assistance for survivors
- Medical includes vision, hearing and alternative care benefits
- Offers on-site massage and sponsors several wellness programs

"Employees who enjoy their work and feel that they're treated well are going to give better customer service, which is the hallmark of Leupold & Stevens, Inc."

– Susan Reece, vice president of strategic development, Leupold & Stevens, Inc.

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PHARMACISTS MUTUAL INSURANCE COMPANY

ALGONA, IA

Type of business: Provides insurance and investment products to pharmacists, pharmacies, home health care providers, home medical dealers and card and gift stores

Number of employees: 235

Founded: 1909

Web site: www.phmic.com

Benefit highlights:

- 90 – 99 percent employer-paid medical insurance premiums for employees; 82 – 85 percent employer-paid medical insurance premiums for dependents
- 401(k) plan with employer match of 35 percent up to five percent of pay; additional match of 35 percent up to five to 15 percent of pay is possible, depending on company profitability; average deferral of eight percent
- Defined benefit pension plan
- Up to \$160 per month for retiree medical drug insurance; up to \$115 per month for retirees' spouses
- 100 percent employer-paid premiums for long-term disability insurance

Percent of employees participating in 401(k) plan: 97 percent

"We experience high employee retention and commitment by creating a work environment where employees experience job satisfaction through their work, recognition and benefits received."

– Ed Berg, CEO,

Pharmacists Mutual Insurance Company

How they've dealt with rising medical insurance costs:

Pharmacists Mutual Insurance Company's medical insurance costs increased by 7.25 percent in 2003. The company recently signed on with an innovative pharmacy service which will provide additional pharmaceutical care for employees, including reviewing all prescriptions to guard against drug interactions and to make sure all medication is being taken correctly. The purpose of the program is to reduce hospitalizations and office visits.

Other interesting facts:

- Extensive wellness program, including bi-annual health screenings
- Offers one-on-one retirement education and planning through retirement plan service provider

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RATHBUN INSURANCE AGENCY

LANSING, MI

Type of business: Full-service insurance agency

Number of employees: 15

Founded: 1956

Web site: www.rathbunagency.com

Benefit highlights:

- 100 percent employer-paid medical insurance premiums for employees and dependents
- Profit sharing plan with 15 percent company contribution
- 401(k) plan with employer match of 100 percent up to three percent of pay; average 401(k) deferral of five percent
- 100 percent employer-paid medical and prescription drug insurance for retirees
- 100 percent employer-paid premiums for short- and long-term disability insurance
- 100 percent employer-paid accidental death and dismemberment insurance
- 100 percent employer-paid premiums for long-term care insurance
- 100 percent employer-paid premiums for group life insurance

Percent of employees participating in 401(k) plan: 100 percent

How they've dealt with rising medical insurance costs: RATHBUN INSURANCE AGENCY's medical insurance costs increased by 17.6 percent last year. To educate associates on the cost of providing health insurance and other benefits, the company shares its financial statements with associates on a quarterly basis.

Other interesting facts:

- Company contributes five percent of each associate's compensation to a medical reimbursement plan
- Voluntary turnover rate of just 2.7 percent

"In order to really provide long term financial security, we think everyone in the company needs to feel as though they are part of the company. We share our financial statements so each associate really understands how the company is doing financially. You have to have associates' confidence that we're in this together."

*– John Keel, president,
RATHBUN INSURANCE AGENCY*

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USA FEDERAL CREDIT UNION

AUBURN HILLS, MI

Type of business: Member-owned credit union with 66,000 members nationwide

Number of employees: 123

Founded: 1954

Web site: www.usafcu.org

Benefit highlights:

- 90 to 97 percent employer-paid medical insurance premiums for employees and dependents (based on plan)
- 401(k) plan with employer match of 100 percent up to five percent of pay; average 401(k) deferral of 7.7 percent
- Defined benefit pension plan
- 100 percent employer-paid medical and prescription drug insurance for retirees
- 100 percent employer-paid premiums for short- and long-term disability insurance
- 100 percent employer-paid premiums for short- and long-term disability insurance

Percent of employees participating in 401(k) plan: 97 percent

How they've dealt with rising medical insurance costs: USA Federal Credit Union's medical insurance costs increased by 13 percent in 2003. The company passed on only four percent of this increase to employees. "We also increased the insured medical portion of the flexible spending account, realizing there will be additional costs for employees," explains Tom Alter, executive vice president and chief administrative officer at USA Federal Credit Union. To meet the needs of employees who are generally healthy and have low usage of medical services, the organization also offered a new, higher-deductible plan.

Other interesting facts:

- Offers two in-service days per year, during which employees attend seminars on budgeting, identity theft, reading a credit report, stress management, overall financial planning and more
- Gives employees access to a financial planner
- Offers tuition reimbursement

"We want to be among the leaders in employee benefits and compensation."

*– Mary McDonald, president and CEO,
USA Federal Credit Union*