

# The Formula for Success

from The Principal® 10 Best Winners – 2006



# The Judges

*The Principal*® 10 Best Companies are selected by an independent, blue-ribbon panel of employee benefit experts and business leaders who are looking for benefit programs that give employees an edge on achieving long-term financial security.

**Nevin Adams** | Editor-in-Chief | PLANSPONSOR magazine and PLANSPONSOR.com

**Nancy Ayres** | General Manager | Clipper Belt Lacer Company/FLEXCO

**Karen Ignagni** | President and CEO | America's Health Insurance Plans

**Jeffrey J. McAulay** | Vice President – Finance and Administration | Moran Towing Corporation

**Dan McCarthy, FSA, MAAA** | Consulting Actuary | Milliman USA

**Corey Rosen** | Executive Director and Founder | National Center for Employee Ownership

**Dallas Salisbury** | Chief Executive Officer | Employee Benefit Research Institute

**David Wray** | President | Profit Sharing/401(k) Council of America

## THE EVOLUTION (NOT REVOLUTION) OF EMPLOYEE BENEFITS

Health care costs are through the roof. Retirement savings are disturbingly low. And 68 percent of employees say they're concerned about their long-term financial futures.<sup>1</sup> Today's employers want to do the right thing, but the challenges of helping to secure employees' financial security loom larger than ever. Everyone agrees that things need to change. *The Principal 10 Best Companies for Employee Financial Security – 2006* are at the forefront of this change. However, they know there's too much at stake to make a revolutionary shift. Instead, these exceptional organizations are taking an evolutionary approach by focusing on the **three "E"s of employee benefits**:

- **Educate** employees. Give them the information and tools they need to make informed decisions.
- **Engage** them in the process. Motivate employees to take charge of their benefits – and their financial futures.
- Ensure **ease-of-use**. Take away the complexity – and the fear of making mistakes – with simple, do-it-for-me features that allow employees to get the most out of their benefits.

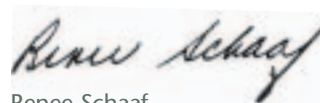
The commitment of *The Principal 10 Best Companies – 2006* to education, engagement and ease of use has made a tremendous impact on the value they receive from their benefits. As a result, their ability to attract the very best employees, reduce turnover and boost productivity has made these companies the envy of their competitors.

This guide reveals the best practices of these extraordinary organizations. Inside, you'll find:

- Inspiring examples of how *The Principal 10 Best Companies – 2006* overcame common challenges and used their investments in benefits to achieve business success
- Interactive checklists to help you quickly review solutions to benefits challenges
- A chart to benchmark your benefits against *The Principal 10 Best – 2006* and your peers across the nation
- Detailed examples of retirement, health care and employee education best practices
- Profiles of each winning company

I would like to thank *The Principal 10 Best Companies – 2006* for sharing their stories – and for confirming that doing right by your employees can also mean doing right by your business.

Sincerely,



Renee Schaaf

Vice President, Principal Financial Group

<sup>1</sup> The Principal Financial Well-Being Index<sup>SM</sup>, Third Quarter 2006

## *The Principal 10 Best Companies – 2006*

ARGON ST, INC. | Fairfax, VA

CENTRAL IOWA POWER COOPERATIVE | Cedar Rapids, IA

EASTERN FINANCIAL FLORIDA CREDIT UNION | Miramar, FL

GTE FEDERAL CREDIT UNION | Tampa, FL

HOWALT-MCDOWELL INSURANCE, INC. | Sioux Falls, SD

ITAGROUP, INC. | West Des Moines, IA

MCNAUGHTON & GUNN, INC. | Saline, MI

MICHIGAN FARM BUREAU FAMILY OF COMPANIES | Lansing, MI

WELLS REAL ESTATE FUNDS, INC. | Norcross, GA

WEST BEND MUTUAL INSURANCE COMPANY | West Bend, WI

*“The most important thing about The  
Principal 10 Best Companies program is that it  
recognizes companies that treat their employees well –  
and that these companies not only compete in the  
marketplace but they thrive.”*

| Corey Rosen, executive director and founder | National Center for  
Employee Ownership and judge for *The Principal 10 Best Companies for*

*Employee Financial Security* |



*“Our company has received a lot of recognition over the years. In all sincerity, this is one we’ll take the greatest pride in because it’s about how we work with our people.”*

| Steve Chapman, chairman, president and CEO | ITAGroup, Inc. |

# Good Benefits Are Good Business

A strong employee benefits package isn't something you initiate once your business has achieved success. On the contrary – outstanding benefits help your business get there in the first place. Need proof? Just ask any of *The Principal 10 Best Companies* – 2006. These successful organizations have no doubt their benefits have helped them:

- **ATTRACT GREAT PEOPLE.** “We get the best and the brightest because of our benefits,” says Joan McCormick, vice president and director of human resources, Eastern Financial Florida Credit Union.
- **RETAIN KEY EMPLOYEES.** “There’s been more than one situation in which our defined benefit program has been an incentive to senior managers to stay here as opposed to choosing a higher salary with a competitor,” Wayne Wood, president of Michigan Farm Bureau, says.
- **INCREASE PRODUCTIVITY.** “We have higher productivity from fewer employees. Certainly I would include the benefits package as one of the reasons,” asserts Dennis Murdock, CEO of Central Iowa Power Cooperative.
- **PROVIDE EXCEPTIONAL CUSTOMER SERVICE.** “Our benefits absolutely help us retain our employees and that enables us to provide great service to our clients. Our clients tell us that they like working with the same people because we don’t have a lot of turnover,” says Julie McFarland, CEO, McNaughton & Gunn.
- **BOOST THE BOTTOM LINE.** “The additional cost we put into benefits is more than evenly returned in the quality of people we’re able to attract, which creates efficiencies we wouldn’t otherwise get. This is an investment, not an expense,” explains Vic Sellier, vice president – finance and operations and CFO, Argon ST.

*“This is an investment, not an expense.”*

| Vic Sellier, vice president – finance and operations and CFO | Argon ST |



**THE NUMBERS TELL THE STORY** Lower turnover means lower costs. The majority of *The Principal 10 Best Companies – 2006* have significantly lower voluntary turnover rates than others in their industries.

**VOLUNTARY TURNOVER** (THE PRINCIPAL 10 BEST COMPANIES VERSUS INDUSTRY AVERAGES)

	Voluntary Turnover Rate	Industry Average
Argon ST, Inc.	8.6%	15.9%
Central Iowa Power Cooperative	.036%	15.9%
Eastern Financial Florida Credit Union	11.2%	15.2%
GTE Federal Credit Union	16.1%	15.2%
Howalt-McDowell Insurance, Inc.	2.4%	15.2%
ITAGroup, Inc.	9.7%	24.5%
McNaughton & Gunn, Inc.	8.8%	14.4%
Michigan Farm Bureau	6.9%	15.8%
Wells Real Estate Funds, Inc.	10.4%	21.2%
West Bend Mutual Insurance Company	4.7%	15.2%

## An ESOP's fable

The stories of *ITAGroup's* employee stock ownership plan (ESOP) may sound like fairy tales, but they're all true. Take, for instance, the one about the employee who showed up at an *ITAGroup* annual meeting dressed as "ESOP Man." Or the time another employee questioned how the company-bought ice cream at an *ITAGroup* event would impact the ESOP price.

Perhaps most impressive, though, is the CEO's ESOP story. "Financially, we will meet every objective we set this year – record sales, record earnings, record growth, 95.4 percent customer satisfaction, 95.4 percent customer retention, 93.4 percent employee retention. We know that we can't achieve any of our goals unless our people are fully engaged. That's why we have a stock ownership plan," says Steve Chapman, chairman, president and CEO, *ITAGroup*.

"It's so important in business to understand that unless you have something no one else can do, the only thing you have that can set you apart is your people," Chapman continues. "Employee ownership may not be for everyone – every company has to develop their own culture. But there's no question in my mind that the most successful companies going forward will be those that are united with their people. It's the delivery system that will make the difference, and that is people."



ITAGroup's ESOP, which is 20 years old this year, has grown an average of 18 percent each year. That's in addition to an annual 7 percent employer contribution.

# Easing Employees' Retirement Planning Fears

Truth be told, many employees are afraid when it comes to saving for retirement. Afraid they'll need the money today that they're saving for tomorrow. Afraid of choosing the wrong investments. Afraid that – in the end – they still won't have enough money to pay for health care and other expenses during retirement.

That fear often results in complete inertia. "Many people don't participate because they're afraid of choosing an investment option or they think it's too much work," confirms Michael Longstreet, benefits and compensation manager at Michigan Farm Bureau.

*The Principal 10 Best Companies – 2006* recognize that ease of use is perhaps more important for retirement plans than any other benefit. That's why they've implemented a variety of do-it-for-me tools such as lifecycle funds, simplified enrollment and automatic deferral increases.

*Employees say retirement concerns are keeping them awake at night. The concern mentioned most often (43 percent) is being able to afford good medical care.*

| The Principal Financial Well-Being Index<sup>SM</sup>, Third Quarter 2006 |

*Average retirement plan participation nationwide: 77.3%<sup>2</sup>*

*Average participation among The Principal 10 Best Companies – 2006: 87%*

<sup>2</sup> Profit Sharing Council of America's 49th Annual Survey of Profit Sharing and 401(k) Plan (2005 reporting)



#### CHECK YOUR RETIREMENT PLAN

It's no accident that *The Principal 10 Best Companies – 2006* have achieved an average retirement plan participation rate of 87 percent. To boost your plan's participation – and to make sure your employees are getting the most out of their retirement benefits – consider the following checklist.

- Can employees get personal guidance? One-on-one meetings with a benefits specialist or financial professional can help employees identify other gaps in their retirement planning.
- Do you offer automatic options? Automatic enrollment – and automatic deferral increases – are easier to implement thanks to the new Pension Protection Act and can help employees save significantly more by the time they retire.
- If automatic enrollment is not for you, do you use a simplified enrollment process? Offering a suggested initial deferral rate, annual deferral increases and do-it-for-me investment options can alleviate employee fears and get them started on the path to financial security.
- Have you shown employees exactly how much money they're leaving on the table when they don't defer enough to receive the full employer match? It can be real motivator to save more.
- Are lifecycle or target date funds among your plan's investment options? These all-in-one funds, which are linked to specific retirement dates, are another effective way to reduce employees' fears of selecting investment options.
- Have you considered managed accounts? These investment programs provide professional investment advice to help employees effectively allocate their contributions.
- Are employees encouraged to defer their raises into the retirement plan? This is a great way for employees to boost their savings at a time when they won't miss the money.

## The personal touch pays off

Personalized, one-on-one retirement guidance is the gold standard for helping employees achieve financial security. However, limited resources have made offering that kind of help a challenge for many employers.

GTE Federal Credit Union was able to bypass those hurdles. A unique program from its retirement plan service provider gives employees the opportunity to meet one-on-one with retirement consultants who help participants understand the importance of saving for retirement, calculate how much they need to save and help them understand their investment options within the plan.

“It has helped us better educate our employees about the benefits of contributing to the 401(k) plan,” says Sharron Bush, the credit union’s human resources manager. “Employees already participating in the plan who met with the consultants increased their contributions an average of 3 percent. Most of the newly participating employees enrolled for at least 6 percent, taking full advantage of the employer match. We’re very happy with the results.”

## Helping employees leave the nest

Although retirement is something most employees look forward to, it can also be a stressful – and even scary – transition. For that reason, Eastern Financial Florida Credit Union makes a concerted effort to help older employees prepare for this life change.

“Eleven percent of our employees are age 56 and older,” explains Joan McCormick, the organization’s vice president and director of human resources. “We are absolutely proactively working with them.”

When employees begin to think about retirement, the company explains the overall process and makes sure they have projections from their retirement plans and Social Security. Older employees can also attend special seminars designed to help them prepare for retirement. “We really hand-hold employees through the retirement process,” McCormick says.

# Engaging Employees Through Wellness

Shifting some health care costs to employees is a necessary evil for many employers. However, cost sharing only addresses one symptom of an underlying problem – as a nation, we’re just not very healthy. It’s no surprise, then, that the consumer-driven health care trend focuses more and more on employee wellness.

According to the 2007 Segal Health Plan Cost Trend Survey<sup>3</sup> – plan sponsors with the most success in dealing with health care costs have gone beyond across-the-board cost shifts. Instead, they’re concentrating on the conditions, diseases and treatments that are driving cost increases and developing focused tactics to address those issues head-on.

*The Principal 10 Best Companies – 2006* have also arrived at this conclusion. Their resulting focus on **engaging employees through wellness has led to healthier employees and a healthier bottom line.**

*“One of the things that keeps us awake at night is rising health care costs.”*

| Becky Padgett, chief people officer | Wells Real Estate Funds |

<sup>3</sup>The Segal Company, a private actuarial and consulting firm; <http://www.segalco.com/publications/surveysandstudies/2007trendsurvey.pdf>



**GIVE YOUR HEALTH CARE PLAN A CHECK-UP** Health care costs can be controlled, but it takes a group effort. The following checklist will help your organization progress on the path to employee engagement.

- Are you focusing on employee wellness?  
Creating a culture of wellness – such as holding health screenings, offering weight loss programs or rewarding employees for healthy behaviors – can have a big impact on your health care costs, as well as on employee morale and productivity.
- Do you offer a disease management program? Giving chronically ill employees personal, ongoing guidance can help give them the information and support they need to take control of their conditions.
- Can new employees meet one-on-one with a member of your HR staff? Individual orientation meetings can help new employees select the right health care plan for their needs.
- Are you communicating with your employees about health care costs? Let employees know how much you pay for their health care benefits and how their health impacts the cost of the plan.
- Do you hold regular meetings with your broker and carrier/administrator? Periodic evaluations of the plan can help you keep tabs on costs and identify problems early.
- Does your plan cover preventive care? As the saying goes, an ounce of prevention is worth a pound of cure.
- Are your plans tailored to the needs of your employee base? Employees at different life stages have different needs when it comes to health care plans.

## Wellness to the rescue

“We were on our way to no more benefits.” That’s how Larry Larson, controller at Howalt-McDowell Insurance, describes the impact of rising health care costs on the company’s bottom line. That was three years ago – just before Howalt-McDowell Insurance kicked off a comprehensive wellness program.

To engage employees in the process from the start, the company formed a wellness committee of employees from each department. Then they brought in their health provider to conduct baseline health screenings. Next came frequent health seminars, exercise contests, nurses on call, wellness bonuses and more.

Three years later, the wellness program has been an unqualified success, with 85 percent of employees participating. “There’s a lot less beef walking around this place now. We’ve also detected huge medical issues, such as diabetes and high cholesterol,” according to Larson.

“Our number one goal was to lower our loss ratio, which is the amount of claims against premiums paid into the plan,” Larson continues. “I know for a fact that it went down at least 40 percent. And our annual increases in premium have started to work their way down, versus working their way up. We really were on our way to no more benefits.”



*“There have been a lot of people who’ve lost a tremendous amount of weight. It’s starting to bring down the cost of our plan.”*

| Larry Larson, controller | Howalt-McDowell Insurance |

# Educating and Empowering

Quickly walking employees through their benefits on the first day of employment is no longer enough. The options are too complex, and employees' responsibilities are too great. Today's workforce needs thorough, ongoing education about everything from allocating investments to wellness initiatives.

The payoff for your organization? Empowered employees who make better decisions, appreciate their benefits and are active participants in their own financial futures.

*The Principal 10 Best Companies – 2006* are firm believers in the importance of education – both to explain the benefits and to educate employees about their responsibilities. “We’re providing programs and communicating how they work, and employees need to take advantage,” says Jim Albertson, manager of human resources for Central Iowa Power Cooperative. “Entitlement, no. Availability, yes.”

*“We don’t necessarily take care of employees. We try to provide them with the opportunity to take care of themselves.”*

| Wayne Wood, president | Michigan Farm Bureau |



**EMPLOYEE EDUCATION AND COMMUNICATION CHECKLIST** Employees who don't understand their benefits won't appreciate them. That's why *The Principal 10 Best Companies – 2006* are committed to comprehensive benefits communication. Review the following checklist to see how your education and communication efforts compare.

- Do you talk one-on-one with employees?  
This is hands-down the single most effective communication and education tool, according to *The Principal 10 Best Companies – 2006*.
- Is attendance mandatory at benefit meetings? Mandatory attendance reinforces the organization's support of the benefit package.
- Can employees help shape the benefit program? What better way to engage employees in their benefits than to make them part of the benefit design process? Consider employee committees or forums with senior management.
- Are you proactive with employees who are approaching retirement? Employees need help navigating the many decisions involved in retiring, such as creating an income stream and selecting health insurance. Start educating these employees early – typically by age 50 – to help them plan ahead.
- Do you show employees the total cost of their benefits? This can be an eye-opening experience for employees and can boost their understanding and appreciation of the benefit package.
- Do you use several different communication methods? Everyone has a different style of learning, so variety is important. Options include face-to-face meetings, e-mail messages, seminars, newsletters, small-group meetings and letters sent to their homes.

## DB to DC: An education success story

West Bend Mutual Insurance Company did not take lightly their switch from a defined benefit pension plan to a defined contribution 401(k) plan. “We have a lot of long-term employees, and we worried about how it would go,” says Debra Cahoon, the company’s assistant vice president – human resources.

To ensure a successful transition, the company went to great lengths to educate employees about the change. The initial announcement – made at an all-company meeting – was followed by one-on-one meetings with each of West Bend Mutual’s 890-plus employees. “It did take time to meet with every employee, but it was well worth it,” Cahoon says. The company also brought in investment advisors to make sure employees understood their options. In addition, the company enhanced their 401(k) by adding a 5-9 percent non-matching employer contribution based on years of service.

West Bend Mutual’s extra efforts worked, according to Cahoon. “I can’t even think of one circumstance where someone voiced opposition. Communication was the key. We believe our employees have trust in us, and we don’t want to lose that.”

## Off the beaten path

Newsletter articles and intranet postings are all well and good, but they're not good enough for Wells Real Estate Funds. When it comes to employee education, this organization takes a unique approach that begins with its president, CEO and founder, Leo F. Wells III.

"Leo is so involved in creating the culture for this organization," explains Andy May, director – benefits and talent management for Wells Real Estate Funds. "He takes every opportunity to address individuals and the group on saving for retirement and living beneath your means. It really has permeated through this organization."

Wells Real Estate Funds also offers a work-life provider, through which employees can access free research, referrals and workshops on a number of topics, including prenatal care, college planning, financial services and more. The company has brought in credit counselors to educate employees on budgeting and staying out of debt. They also provide a health advocate to help employees navigate the health care system and they provide a 24-hour hotline for benefits questions.

Of course, the personal touch is also key, according to Becky Padgett, the company's chief people officer. "We spend a great deal of our day with people who come down to talk to us. That one-to-one contact is very important."

Their dedication is definitely paying off. A recent company-wide survey found that 93 percent of employees believe Wells Real Estate Funds offers outstanding benefits.

# How Does Your Company Stack Up?

Growing companies and their advisors can use the following guide to see how they compare to *The Principal 10 Best Companies – 2006* and companies across the nation.

BENEFITS THAT CONTRIBUTE TO EMPLOYEE FINANCIAL SECURITY	YOUR FIRM'S OFFERINGS	% OF THE PRINCIPAL 10 BEST COMPANIES – 2006 OFFERING THESE BENEFITS (80 TO 953 EMPLOYEES)	NATIONAL AVERAGES FOR BENEFIT OFFERINGS BY NUMBER OF EMPLOYEES OR WORKERS		
<b>Health Benefits</b>		100%	60% <sup>1</sup> (3-199 Employees)	98% <sup>1</sup> (200+ Employees)	
Single premiums paid (75%+) by firms for covered workers		100%	77% <sup>1</sup> (3-199 Employees)	79% <sup>1</sup> (200+ Employees)	
Family premiums paid (75%+) by firms for covered workers		90%	40% <sup>1</sup> (3-199 Employees)	63% <sup>1</sup> (200+ Employees)	
Offered to part-time workers		67%	29% <sup>1</sup> (25-199 Employees)	33% <sup>1</sup> (200-999 Employees)	
Offered to retirees		20%	9% <sup>1</sup> (3-199 Employees)	31% <sup>1</sup> (200-999 Employees)	
<b>401(k) Retirement Plan</b>		100%	19% <sup>2</sup> (<100 Employees)	36% <sup>2</sup> (100-499 Employees)	65% <sup>2</sup> (500-999 Employees)
Average participation rate		87%	91.1% <sup>3</sup> (1-49 Employees)	87.4% <sup>3</sup> (50-199 Employees)	81.4% <sup>3</sup> (200-999 Employees)
Average employee deferral		8.0%	5.4% for lower-paid employees; 6.9% for higher-paid employees <sup>3</sup>		
Offer employer match		100% offer match, with various match rates	55.2% of plans have a fixed match of \$.50 per \$1.00 <sup>3</sup>		
<b>Profit Sharing Plan</b>		30%	36% <sup>4</sup> (10-99 Employees)	59% <sup>4</sup> (100-499 Employees)	84% <sup>4</sup> (500-999 Employees)
<b>Defined Benefit Plan</b>		50%	9% <sup>5</sup> (1-99 Employees)	35% <sup>5</sup> (100+ Employees)	
<b>Retirement plan offered to part-time workers</b>		100%	29% <sup>5</sup>		
<b>Group Life Insurance</b>		100%	78% <sup>6</sup> (20-99 workers)	94% <sup>6</sup> (100-499 workers)	98% <sup>6</sup> (500-999 workers)
<b>Short-Term Disability Insurance</b>		80%	41% <sup>6</sup> (20-99 workers)	61% <sup>6</sup> (100-499 workers)	65% <sup>6</sup> (500-999 workers)
<b>Long-Term Disability Insurance</b>		100%	45% <sup>6</sup> (20-99 workers)	73% <sup>6</sup> (100-499 workers)	86% <sup>6</sup> (500-999 workers)
<b>Accidental Death &amp; Dismemberment Insurance</b>		100%	58% <sup>6</sup> (20-99 Employees)	86% <sup>6</sup> (100-499 Employees)	91% <sup>6</sup> (500-999 Employees)
<b>Long-Term Care Insurance</b>		80% voluntary 20% paid by firm	5% <sup>5</sup> (1-99 workers)	20% <sup>5</sup> (100+ workers)	
<b>Flexible Spending Accounts (FSAs)</b>		100%	26% <sup>7</sup> (10-499 Employees)		70% <sup>7</sup> (500-999 Employees)

<sup>1</sup> Kaiser Family Foundation and Health Research & Education Trust, *Employer Health Benefits 2006 Annual Survey*

<sup>2</sup> Spectrem Group Study, 2005

<sup>3</sup> Profit Sharing Council of America's *49th Annual Survey of Profit Sharing and 401(k) Plan* (2005 reporting)

<sup>4</sup> LIMRA analysis of year 2003 Form 5500 filings; *2004 Statistics of U.S. Businesses*, U.S. Census Bureau.

<sup>5</sup> United States Department of Labor: Bureau of Labor Statistics: *National Compensation Study: Employee Benefits in Private Industry in the United States*, March 2006

<sup>6</sup> LIMRA International, *The Changing Group Insurance and Healthcare Marketplace*, 2003

<sup>7</sup> Mercer *National Survey of Employer-Sponsored Plans 2005*



**THE THREE "E"S OF EMPLOYEE BENEFITS IN ACTION** On the following pages, you'll find detailed examples of how *The Principal 10 Best Companies – 2006* are putting the three "E"s – education, engagement and ease-of-use – into action, followed by profiles of each organization.

THE THREE "E"S OF RETIREMENT BENEFITS

THE THREE "E"S OF HEALTH CARE BENEFITS

THE THREE "E"S OF EMPLOYEE EDUCATION AND COMMUNICATION

*“The Principal 10 Best Companies – are looking for other ways to help their employees – not only providing the benefits but enabling employees to make better use of those benefits.”*

| Dan McCarthy, FSA, MAAA, consulting actuary, Milliman USA and judge for *The Principal 10 Best Companies for*

*Employee Financial Security* |

# The Three “E”s of Retirement Benefits

Automatic enrollment. Lifecycle funds. One-on-one meetings. Special events. These are just a few of the ways in which *The Principal 10 Best Companies* for Employee Financial Security – 2006 go the extra mile to **educate, engage** and make retirement planning **easy** for their employees.

## Overall retirement planning

- **CREATE A CULTURE OF FINANCIAL FITNESS.** “Leo Wells, our CEO, takes every opportunity to address individuals or the group about saving for retirement and living beneath your means. It really has permeated through this organization,” says Andy May, director – benefits and talent management, Wells Real Estate Funds.
- **HELP OLDER EMPLOYEES TRANSITION TO RETIREMENT.** The shift from work to retirement is a major life event, both financially and personally. For that reason, many of *The Principal 10 Best Companies* – 2006 offer seminars and other special training for soon-to-be retirees. Central Iowa Power Cooperative (CIPCO), for example, sends employees age 50 and older to an off-site retirement planning seminar once per year. “When they start to think of things like Social Security and income management, it really opens their eyes,” says Jim Albertson, CIPCO’s manager of human resources.

## Investment management

- **BRING IN A FINANCIAL PLANNER.** ITAGroup sponsors the cost of bringing in a financial consultant each month for one-on-one meetings with employees. The program has been a big success. “The one-on-one advice from the consultant is by far our best education tool,” Dick Rue, ITAGroup’s CFO, explains.
- **MAKE INVESTMENT SELECTION EASY – REALLY EASY.** “Many people don’t participate because they’re afraid of choosing an investment option or they think it’s too much work. We’re looking at an easy enrollment program, where an employee can say, ‘Here, employer, I want to do this, but I don’t want to make the choices.’ All the employee has to do is sign on the dotted line,” says Michael Longstreet, benefits and compensation manager, Michigan Farm Bureau.
- **INCLUDE LIFECYCLE FUNDS IN YOUR INVESTMENT LINEUP.** Ninety percent of *The Principal 10 Best Companies* – 2006 this year’s winners offer lifecycle funds to participants. “We really push the lifecycle funds, because the biggest reason people don’t participate is they don’t know about investing, and it scares them,” explains Wayne Wood, president, Michigan Farm Bureau. “When we show employees the diversification and how the funds will be managed by professionals as opposed to the individual, it makes them much more comfortable.”
- **CONSIDER INVESTMENT ADVICE.** Howalt-McDowell Insurance offers a managed accounts option that gives employees access to third party, professional retirement planning advice.
- **CONTACT EMPLOYEES INDIVIDUALLY ABOUT DIVERSIFICATION.** “At least twice each year, we send targeted e-mail messages to people who we feel are not diversified enough in their 401(k) plan. We explain the benefits of diversification and encourage them to diversify,” says Debbie Jaudon, human resources director at Argon ST.
- **USE ONLINE TOOLS TO HELP EMPLOYEES ALLOCATE INVESTMENTS.** Many retirement plan service providers offer web-based questionnaires that help employees create an investment strategy. Wells Real Estate Funds has found that the majority of its employees use their service provider’s online questionnaire and automatic allocation tool.

## Boosting participation and deferrals

- **OFFER ONE-ON-ONE HELP.** Whether it's with an outside financial advisor or a member of their human resources staff, all of this year's winning companies rely heavily on one-on-one conversations to educate and engage employees about retirement planning. "We talk directly with employees who aren't contributing," says Jaudon. "One-on-one conversations absolutely work best."
- **FIND REASONS TO TALK ABOUT RETIREMENT PLANNING.** Consistent, ongoing communications can help ensure that employees don't forget about their retirement plan. "We run articles in our monthly newsletter and we also have a 401(k) Day. We try to come up with different events to keep it in their minds," says Julie McFarland, CEO of McNaughton & Gunn.
- **MAKE IT AUTOMATIC.** Automatic enrollment and automatic annual deferral increases can have a huge impact on your employees' financial security at retirement. West Bend Mutual Insurance Company credits their automatic enrollment policy for the company's impressive 96 percent participation rate. The practice is expected to become even more widespread now that the Pension Protection Act of 2006 has paved the way.
- **TELL EMPLOYEES EXACTLY HOW MUCH THEY'RE MISSING.** "We show employees the impact of increasing their deferrals by 1 or 2 percent," explains Michigan Farm Bureau's Longstreet. "We also show those who don't participate in the plan what they're giving up, and we show individuals who aren't contributing enough to get the full match that they're throwing away."
- **TAKE ADVANTAGE OF PROBATIONARY PERIODS.** GTE Federal Credit Union starts new employees at 96% of their full salary as a probationary measure. "Once they reach the three-month mark and go to full salary, we encourage them to defer that 'extra' 4 percent into the 401(k) plan so they don't even miss it," explains Wendell Sebastian, president and CEO of GTE Federal Credit Union.

## Defined benefit (DB) pension plans

- **TAKE A CONSERVATIVE APPROACH.** Central Iowa Power Cooperative has managed to keep its DB plan through careful planning. "In the past, when the plan was over-funded, we resisted reducing contribution levels. And we only conservatively added benefits to it when it was over-funded. So we haven't found ourselves to be whipsawed with additional expenses or benefit reductions," Dennis Murdock, CIPCO's CEO, explains.
- **PLAN CAREFULLY WHEN ENDING YOUR PENSION BENEFIT.** If you're considering canceling your DB plan, take extra efforts to educate employees and boost your other retirement benefits. "Two years ago, we cancelled our defined benefit plan and put our associates into a defined contribution plan," says Dale Kent, CFO of West Bend Mutual Insurance Company. "We replaced that with a great deal of education, a tremendously fair settlement on the DB plan and a very rich defined contribution plan."

# The Three “E”s of Health Care Benefits

The rising cost of health care continues to be the number one concern of *The Principal 10 Best Companies*. This year’s winners are going to the root of the problem with an increasing focus on employee wellness. This requires **educating** employees on how their lifestyles impact health care costs, **engaging** employees in their own health care and making it all **easy** to access and understand.

After researching alternative health care plans, West Bend Mutual Insurance Company decided to “put more emphasis on the wellness side,” according to Debra Cahoon, assistant vice president – human resources at West Bend Mutual. “We’re starting with health risk appraisals and then taking it to the next level. We really feel that making people aware of their own health at this point is the right way for West Bend Mutual.”

- **DEVELOP A BASELINE.** If you’re planning to implement a full-fledged wellness program, make sure to conduct initial health screenings to develop a baseline for metrics like cholesterol, blood pressure and weight. Howalt-McDowell Insurance took this approach in the first year of its wellness program and can now evaluate the program’s effectiveness by tracking the data. The initial screening also caught potentially serious health problems in several employees.
- **FOCUS ON PREVENTIVE CARE.** Small problems caught now can prevent big expenses down the road. “An important component of our wellness program is 100 percent coverage for any type of preventive medical procedures,” says Becky Padgett, chief people officer at Wells Real Estate Funds.
- **REWARD EMPLOYEES FOR HEALTHY BEHAVIORS.** A little incentive never hurts, especially when you’re asking employees to change their habits. “We’re in the middle of a program in which participants walk for 25 minutes each day. At the end of the quarter, each person who completes the program will be entered into a drawing for a treadmill,” says Larry Larson, controller at Howalt-McDowell Insurance.
- **OFFER WEIGHT LOSS AND SMOKING CESSATION CLASSES.** Making these classes available on-site is a great convenience for employees and can really pay off in terms of their overall health. GTE Federal Credit Union, for example, offers on-site Weight Watchers meetings at a discounted rate.
- **HOLD WELLNESS SEMINARS.** Seminars are a great way to educate a group of employees on a specific topic. “We’ve held seminars on stress reduction, depression, dealing with Alzheimer’s and more. Next month’s talk will focus on the food pyramid,” says Susan Rantz, human resources generalist at McNaughton & Gunn.
- **IMPLEMENT A DISEASE MANAGEMENT PROGRAM.** Wells Real Estate Funds recently added disease management to its health care program. “It gets employees into the right programs during the first stages of their diseases, and then they’re helped by a case worker for the entire duration of their illness,” says Padgett at Wells Real Estate Funds.

## Plan education and enrollment

- **MEET ONE-ON-ONE WITH NEW EMPLOYEES.** At Michigan Farm Bureau, each employee goes through an individual orientation that includes a comparison of the options within the medical plan. “The one-on-one meetings are extremely helpful, because it’s a fairly large amount of information they’re getting in the first few days here,” explains Michael Longstreet, benefits and compensation manager, Michigan Farm Bureau.

- **MAKE USE OF SERVICE PROVIDERS' TOOLS.** "Our provider offers a health benefit calculator that has our premium rate built into it," says C.J. McKoy, director – human resources and corporate learning, ITAGroup. "Employees answer a few questions and the calculator shows which plan is best for them."
- **KEEP EMPLOYEES IN THE LOOP.** Build employees' trust and educate them on their role in controlling expenses by sharing information about plan costs. "We self-insure, so in years in which there are savings, we pass that right back to employees the next year. In years when we have bad experience, they do get an increase in rates, but they trust us that it's reflective of our collective experience. Employees know exactly where they stand from a premium standpoint," says Dale Kent, CFO, West Bend Mutual Insurance Company.

### Helping employees (and retirees) manage costs

- **CONSIDER DEBIT CARDS FOR FLEXIBLE SPENDING ACCOUNTS (FSAs) OR HEALTH REIMBURSEMENT ACCOUNTS (HRAs).** Debit cards make an already convenient benefit even easier. "People really like it. They don't have to put out the money and then wait for reimbursement. It's right there," says Dick Rue, CFO, ITAGroup.
- **LET RETIREES BUY COVERAGE AT THE GROUP RATE.** Retiree health care coverage is an expensive proposition for any organization. If your company can't provide full medical benefits for retirees, consider letting them buy in at the group rate until Medicare kicks in. ITAGroup takes this approach for employees who are 57 or older and have at least 20 years of service. "It's not so much to fund their costs, but to give them more access. They can get it so much cheaper through us. We want to make sure they have access," Rue explains.

### Plan design and selection

- **TAILOR PLANS TO EMPLOYEES' NEEDS.** As your employee base changes, your health plan options may need to change, too. At Central Iowa Power Cooperative (CIPCO), for example, a large group of employees will retire soon, to be replaced by a younger generation of new employees. According to CIPCO's CEO, Dennis Murdock, "What is of interest to people about to retire and what is of interest to families expecting babies are two very different things." For that reason, the company is considering adding additional plan options from which employees can choose.
- **CONSIDER OFFERING A "HEALTH ADVOCATE."** Wells Real Estate Funds recently added a health advocate program to their health care plan. "It's basically a concierge service available to employees and their extended families," Padgett says. "The health advocate has direct access to all of our plan documents. They know exactly who our providers are and they can navigate people through tough situations or make referrals."
- **SHOP AROUND FOR PROVIDERS AND BROKERS.** Brokers can bring a tremendous amount of value to the health plan selection process. For that reason, finding the right broker is just as important as finding the right service provider. Wells Real Estate Funds' new broker, for example, was able to negotiate significant savings for the company with a new service provider.
- **MEET REGULARLY WITH YOUR BROKER AND CARRIER OR ADMINISTRATOR.** Wells Real Estate Funds holds "stewardship meetings" with its broker and carrier each quarter to talk about how the plan is going and to prevent any unpleasant surprises at year's end.

# The Three “E”s of Employee Education and Communication

Thorough, honest and consistent communication with employees can do a lot more than just teach them the nuts and bolts of your benefits. It can also help build employee support and appreciation of the benefits and even impact the morale of your organization.

“Communication is key, and the trust we build with our associates is a major part of our culture. We tell them what they need to pay and what we pay, and we’re consistent with that,” says Dale Kent, CFO at West Bend Mutual Insurance Company.

## Boosting meeting attendance

- **CONSIDER MANDATORY ATTENDANCE AT BENEFIT MEETINGS.** “With voluntary signups, people think they have too much work to do,” explains Susan Rantz, human resources generalist at McNaughton & Gunn. “‘Mandatory’ says the company thinks it’s important. We’re committing their time. That works the best.”
- **WORK MEETINGS AROUND YOUR EMPLOYEES’ SCHEDULES.** “We have producers who want to be out selling,” explains Lorna Williamson, human resources director at Howalt-McDowell Insurance, “so we schedule meetings in smaller groups. We’re also considering holding evening meetings.”

## Encouraging employee appreciation of benefits

- **INVOLVE EMPLOYEES IN SHAPING THE BENEFIT PROGRAMS.** Argon ST has created a Communications Counsel that meets on a quarterly basis. “Individuals who represent different facilities and different floors attend a session with senior management in which issues can be raised,” says Debbie Jaudon, the company’s human resources director. “Benefits are often the topic. We don’t wait for when we want to change something. We create a forum so when people sense a need for change, they can provide that input.”
- **SHOW EMPLOYEES THEIR TOTAL COMPENSATION.** All of *The Principal 10 Best Companies – 2006* distribute a customized total compensation statement each year to each employee. The statement shows the employee’s salary, along with the dollar value of the benefits the employee receives. “Employees are very impressed when they see that statement,” says Dick Rue, CFO of ITAGroup.

## Getting the message across

- **TALK ONE-ON-ONE WITH EMPLOYEES.** One-on-one communication is critical, according to *The Principal 10 Best Companies – 2006*. Talking one-on-one with employees can help ensure understanding and appreciation of benefits and even improve participation. “With the 401(k) plan, if I don’t get a face-to-face meeting with a new employee, I won’t necessarily get a form back,” says Michael Longstreet, benefits and compensation manager, Michigan Farm Bureau.

- **USE A VARIETY OF COMMUNICATION METHODS.** “Every employee has a different way of learning,” Debra Cahoon, assistant vice president of human resources, West Bend Mutual Insurance Company, explains. “We hold one-on-one meetings and group meetings. We have benefits information on our web site. Then we use e-mail for the weekly newsletter and send separate letters to their homes. We offer the information as many ways as possible.”
- **MAKE BENEFIT INFORMATION MORE ACCESSIBLE.** Eastern Financial Florida Credit Union worked with its broker to develop a benefits web site that employees can access at work or home. “A lot of times it’s the spouse or the two spouses together who make benefit decisions,” Susan McBride, senior manager of human resources at Eastern Financial Florida Credit Union, explains. “This web site can be accessed from home so employees and their spouses can review their choices. It also has a news section where we can post updates and other information.”
- **FOSTER RELATIONSHIPS BETWEEN EMPLOYEES AND SERVICE PROVIDERS.** McNaughton & Gunn brings in its benefit service providers to meet with employees each year. “We try to keep vendors visible to our people and let them build relationships so that our employees feel comfortable calling the customer service departments,” explains Julie McFarland, CEO, McNaughton & Gunn.

### Preventive communication

- **BRING IN SPEAKERS FROM CREDIT COUNSELING SERVICES.** “We don’t want our young employees to get into debt, so we’ve used some nonprofit credit counseling services to come in and offer workshops on budgeting and living within your means. Employees have found this to be extremely beneficial and the sessions are very well attended,” Becky Padgett, chief people officer at Wells Real Estate Funds, says.
- **GIVE SPECIAL ATTENTION TO EMPLOYEES NEARING RETIREMENT.** Every three years, West Bend Mutual Insurance Company sponsors retirement seminars for employees who are a few years from retirement. “We bring in a number of different speakers,” says Dale Kent, CEO. “We’ve had attorneys talk about wills and estate planning. We’ve had financial experts talk about our retirement plans and we’ve had the Social Security Administration come speak.”

### Collecting employee feedback

- **LISTEN.** Simply paying attention to what employees are saying can tell you all you need to know about your benefits. Central Iowa Power Cooperative takes this approach by using one-on-one conversations to educate employees and to solicit feedback on benefits. “We’re darned good listeners,” says Dennis Murdock, the company’s CEO.
- **HOLD FOCUS GROUPS.** GTE Federal Credit Union uses this approach to identify the best way to market benefits to employees. “We want to make sure we keep awareness of benefits high and that we’re communicating in a way that everyone understands,” says Sharron Bush, the organization’s human resources manager.



**DOES YOUR COMPANY HAVE WHAT IT TAKES TO BE ONE OF THE PRINCIPAL10 BEST** *The Principal 10 Best Companies for Employee Financial Security* is a prestigious, nationwide program that recognizes growing companies for excelling in everything from retirement plans to benefit education.

Esteemed judges from the nation's leading sectors of business, human resources and academia – in affiliation with Mathew Greenwald & Associates – select companies based on criteria such as the breadth of financial benefits offered, the depth of financial benefits offered and the level of commitment by the company to its employees' financial security.

Companies chosen as *The Principal 10 Best Companies for Employee Financial Security* are held up as role models – setting standards by which other businesses measure their benefits offerings. Additionally, the winners receive:

- Extensive recognition in national and local news media
- Exposure on The Principal Financial Group Web site and in the Best Practices Guide for Employee Financial Security
- A stunning, custom-designed award for company display, presented during a

recognition ceremony in their city involving employees, local dignitaries and representatives from the Principal Financial Group

- A donation to the charity of their choice
- Permission to use the recognition title in any internal or external marketing materials

Companies qualify to enter if they:

- Are organized and located in the United States
- Employ between five and 1,000 workers
- Have offered a broad range of traditional employee benefits for at least five years.

Companies do not have to be clients of The Principal to enter. Employees of The Principal are not eligible to enter. To find out if your company qualifies to enter in next year's program, visit [www.principal.com/theprincipal10best/](http://www.principal.com/theprincipal10best/).



## Argon ST

Fairfax, VA

**TYPE OF BUSINESS:** Systems engineering and development company in the defense industry

**NUMBER OF EMPLOYEES:** 850

**FOUNDED:** 1997

**WEB SITE:** [www.argonst.com](http://www.argonst.com)

As a high-tech engineering firm in the defense industry, the success of Argon ST depends on the talents of its employees. To attract and keep the best and the brightest, the company relies heavily on its benefit package.

"We design and develop very, very sophisticated electronic systems," says Vic Sellier, vice president of finance and operations and CFO for Argon ST. "We can't afford to have commodity resources in the way of our workforce. We really have to have the top echelon engineers. In order to attract the above-average person, we have to provide above-average benefits."

The benefits package is made even more important in light of Argon ST's competitors. As Sellier explains, "We're small and regional, and we compete against very large companies for business and resources. Had we not had the ability to offer our employees strong benefits, I think we would've put ourselves at a disadvantage."



## Central Iowa Power Cooperative

Cedar Rapids, IA

**TYPE OF BUSINESS:** Largest cooperative energy provider in Iowa

**NUMBER OF EMPLOYEES:** 119

**FOUNDED:** 1946

**WEB SITE:** [www.cipco.net](http://www.cipco.net)

A major change is happening at Central Iowa Power Cooperative (CIPCO). "We're beginning to have a youth movement within the company," says Jim Albertson, the company's manager of human resources.

More than 30 percent of CIPCO's workers will retire within the next 10 years, and a new generation of employees will soon come on board. The changing demographics will have a big impact on their benefits program.

"What is of interest to people about to retire versus young families expecting babies are two very different things," explains Dennis Murdock, the company's CEO. The company is already considering how to tailor their medical and retirement benefits to the needs and preferences of the changing workforce.



## Eastern Financial Florida Credit Union

Miramar, FL

**TYPE OF BUSINESS:** A member-owned financial services organization and largest credit union in south Florida, ranking among the top 35 in the nation

**NUMBER OF EMPLOYEES:** 734

**FOUNDED:** 1937

**WEB SITE:** [www.effcu.org](http://www.effcu.org)

At Eastern Financial Florida Credit Union, outstanding benefits are undoubtedly a win-win-win proposition for the company, for the employees and for their customers. As Joan McCormick, the company's vice president and director of human resources, says, "This company wouldn't be in business for 69 years if it weren't for the fact that they take care of their employees, who then take care of their members."

"It's more than just a philosophy," says Susan McBride, senior manager of human resources at Eastern Financial Florida Credit Union. "The credit union wants to be a values-driven organization, so we need to do what's right for our employees."

By doing what's right for employees, the credit union is also doing what's right for their members. "I read 40 complimentary letters every month from our members," McCormick continues. "The fact that we treat our employees as valuable assets shows in employees' attitudes towards our members."



## GTE Federal Credit Union

Tampa, FL

**TYPE OF BUSINESS:** One of the fastest-growing credit unions in the nation and the first credit union to offer credit cards

**NUMBER OF EMPLOYEES:** 621

**FOUNDED:** 1935

**WEB SITE:** [www.gtefcu.org](http://www.gtefcu.org)

These days, fewer and fewer employees can retire with full health care coverage. That's what makes GTE Federal Credit Union's retiree health care benefits – which include 100 percent employer-paid premiums for medical and prescription drug coverage – stand out from the crowd.

"That's a tremendous commitment, particularly in this day and age, and clearly one of the things that can have a huge impact on financial security," says Nevin Adams, editor-in-chief of PLANSPONSOR magazine and judge for The Principal 10 Best Companies – 2006.

GTE Federal Credit Union's commitment to employee financial security begins at the top with the organization's leadership. "Many companies operate for the bottom line and the bottom line only. To me, that is shortsighted. We operate for our credit union members, and we understand that the only way we're going to meet their needs is through our employees. They're your greatest asset, and you'd better take darned good care of them," asserts Wendell Sebastian, GTE Federal Credit Union's president and CEO.



## Howalt-McDowell Insurance, Inc.

Sioux Falls, SD

**TYPE OF BUSINESS:** One of South Dakota's largest locally owned independent insurance agencies

**NUMBER OF EMPLOYEES:** 80

**FOUNDED:** 1946

**WEB SITE:** [www.howaltmcdowell.com](http://www.howaltmcdowell.com)

Employees at Howalt-McDowell Insurance are more fortunate than most, especially when it comes to saving for retirement. The company provides a 3 percent automatic contribution to each employee's 401(k) account, as well as an annual profit sharing contribution that averages around 9 percent.

"As we looked at Howalt-McDowell's employee financial security programs, one of the things that struck us was the very high level of contribution that the firm makes to the 401(k) plan. It was extraordinary and one of highest that we found," says Dallas Salisbury, president and CEO of the Employee Benefit Research Institute (EBRI) and judge for The Principal 10 Best Companies – 2006.

Just as impressive is the fact that 94 percent of Howalt-McDowell Insurance employees defer their own money to the plan as well – with an average deferral rate of 6 percent. "In most places, if you could save 12 percent of your money every year for your retirement, you wouldn't even have to think about putting anything else in. But our people still do put money in there besides that," says Larry Larson, controller at Howalt-McDowell Insurance.



## ITAGroup, Inc.

West Des Moines, IA

**TYPE OF BUSINESS:** Performance marketing company owned 100 percent by its employees

**NUMBER OF EMPLOYEES:** 486

**FOUNDED:** 1963

**WEB SITE:** [www.itagroup.com](http://www.itagroup.com)

"You can lead a horse to water, but you can't make him drink. That said, we want to do as much as we can to make them thirsty." That statement – from Dick Rue, CFO at ITAGroup sums up the company's philosophy on helping employees save for their own retirement.

"A big part is education," Rue explains. To that end, ITAGroup pays to bring in a financial consultant to meet individually with employees each month. "He comes in and he's booked from the time he gets here until the time he leaves," says Rue.

The consultant can review an employee's entire financial plan – not just retirement – and employees are welcome to include their spouses in the meetings. "What he provides is a non-threatening atmosphere," Rue says. "Employees put their faith in him because we've checked him out. And it really helps HR, because we can't tell people how to invest."



## McNaughton & Gunn, Inc.

Saline, MI

**TYPE OF BUSINESS:** An environmentally friendly book manufacturer

**NUMBER OF EMPLOYEES:** 212

**FOUNDED:** 1975

**WEB SITE:** [www.bookprinters.com](http://www.bookprinters.com)

A top-tier benefits program isn't cheap. Yet McNaughton & Gunn's CEO, Julie McFarland, has no doubt that the company receives a high return on its investment.

"One reason is the number of people we've had leave and come back," says McFarland. "I had one person who came back and said the cost of the benefits at the other company made it impossible for him to stay there. He appreciated being able to come back here and get the benefits at a cost he could afford."

The benefits also gave McNaughton & Gunn a competitive edge at a crucial stage in its business, according to McFarland. "Our industry has gone through a lot of changes. Much of the work is being done with computers now. Many companies lost their people who had the manual skills and brought in a new group to do the computer end. We had people stay because they didn't want to lose the benefits. They were willing to learn the new technology and apply their skills and knowledge from the manual process to the new computerized process. It actually put us further ahead."



## Michigan Farm Bureau Family of Companies

Lansing, MI

**TYPE OF BUSINESS:** Michigan's largest general farm organization

**NUMBER OF EMPLOYEES:** 953

**FOUNDED:** 1919

**WEB SITE:** [www.michiganfarmbureau.com](http://www.michiganfarmbureau.com)

For Michigan Farm Bureau, a top-notch benefits program is more than a financial safety net for employees. It's also a financial necessity for the business.

"Being here in the capital of the state, we compete heavily with the state of Michigan, Michigan State University and, in some cases, General Motors for employees – so the benefits package becomes very important," says Wayne Wood, president of Michigan Farm Bureau.

This strategy has proven to be successful for the company. "With any management position, effectiveness includes experience and longevity," says David VanderHaagen, the company's chief legal counsel. "Those are the folks who it's very difficult to lose. We know that one of the reasons senior employees turn down offers from competitors is our benefit program. We also look at turnover – and each time we analyze it, we are well below average."



## Wells Real Estate Funds, Inc.

Norcross, GA

**TYPE OF BUSINESS:** National real estate investment management firm ranked as one of the nation's top 10 office landlords

**NUMBER OF EMPLOYEES:** 404

**FOUNDED:** 1984

**WEB SITE:** [www.wellsref.com](http://www.wellsref.com)

As with all of The Principal 10 Best Companies – 2006, the rising cost of health care is a major worry at Wells Real Estate Funds. To begin to reverse – or at least slow – the trend, the company is ramping up its already robust wellness program.

The program – which is 100 percent company-paid – currently includes annual flu and pneumonia shots, blood screenings, extensive preventive care coverage and an annual health fair. Beginning this year, the company will also add a disease management program, as well as in-depth education about nutrition and overall health.

“The emphasis has to be on wellness and disease management,” says Becky Padgett, chief people officer at Wells Real Estate Funds. “I think we’ll find, as we continue our wellness program, that it will have a long-term impact on our costs.”



## West Bend Mutual Insurance Company

West Bend, WI

**TYPE OF BUSINESS:** Ranked as one of the top 50 property and casualty insurance carriers in the nation

**NUMBER OF EMPLOYEES:** 898

**FOUNDED:** 1894

**WEB SITE:** [www.wbmi.com](http://www.wbmi.com)

The leadership team at West Bend Mutual Insurance Company prides themselves on open, honest and thorough communication with employees. “Communication is key, and the trust we build with our associates is a major part of our culture,” says Dale Kent, the company’s CEO.

Each year, for example, the company shares its medical plan expenses with employees. “We tell them what they need to pay and what we pay, and we’re consistent with that,” Kent explains. “Employees know exactly where they stand from a premium standpoint.”

To educate employees on saving for retirement, West Bend Mutual holds seminars, sends out newsletters and even arranges for one-on-one financial planning. “Any employee can contact us at any time to set up an appointment with a financial planner, and the cost is covered by the company,” says Deb Cahoon, assistant vice president – human resources at West Bend Mutual.

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