

# Meet The Principal 10 Best Companies for Employee Financial Security

## CEF INDUSTRIES

ADDISON, ILL.

*"In the past, we had people who left because they could make a dollar more an hour down the road. Now, benefits are a major part of people staying. It helps morale and it keeps them here."*

— Chuck Novak, treasurer, CEF Industries

**Type of business:** Full-service manufacturer of electromechanical products and systems for the aerospace industry

**Number of employees:** 105

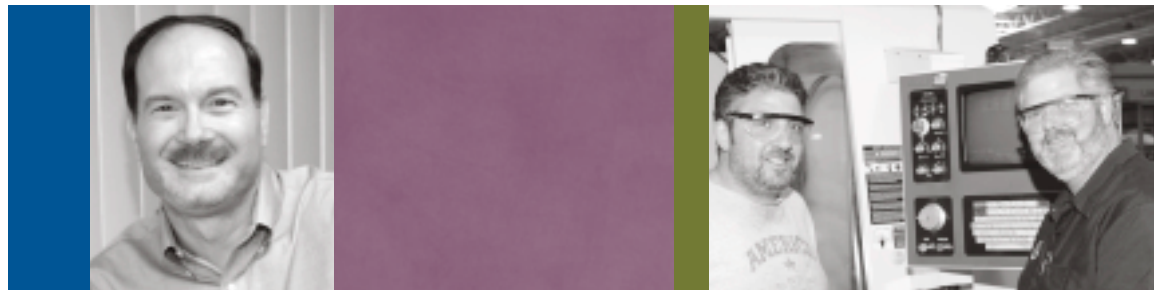
**Founded:** 1946

**Web site:** [www.cefind.com](http://www.cefind.com)

### Benefit highlights:

- 100 percent employer-paid medical insurance premiums for employees and dependents
- 401(k) plan with match of 25 percent up to 5 percent of pay; average 401(k) deferral of 7 percent
- Employee Stock Ownership Plan (ESOP)
- 100 percent employer-paid premiums for short- and long-term disability insurance
- Tuition reimbursement

**Percent of employees participating in retirement plan:** 96 percent



Chuck Novak, CEF Industries

Employees at CEF Industries

### How they've dealt with rising medical insurance costs:

CEF Industries' medical insurance costs increased by 27 percent in 2002. Just 4 percent of this increase was passed on to employees in the form of higher copays, deductibles and out-of-pocket maximums. The rest of the increase was taken out of company profits.

### Other interesting facts:

- Voluntary turnover rate of only 1.9 percent
- Gives employees access to financial education through benefits providers

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## DELTA DENTAL PLAN OF IOWA

ANKENY, IOWA

*"One of our long-term goals is to be an employee-oriented company. We use our benefits program to support that goal."*

— Tamera Robinson, vice president of finance,  
Delta Dental Plan of Iowa

**Type of business:** Not-for-profit organization that markets and services group dental insurance to businesses in the state of Iowa

**Number of employees:** 63

**Founded:** 1973

**Web site:** [www.deltadentalia.com](http://www.deltadentalia.com)

### **Benefit highlights:**

- 99 percent employer-paid medical insurance premiums for employees; 95 percent employer-paid premiums for dependents
- 401(k) plan with match of 50 percent up to 6 percent of pay; average 401(k) deferral of 7.6 percent
- Profit sharing plan with 5 percent annual company contribution
- Tuition reimbursement
- Section 125 flexible spending account



Tamera Robinson, Delta Dental Plan of Iowa

**Percent of employees participating in retirement plan:** 100 percent

### **How they've dealt with rising medical insurance costs:**

Delta Dental Plan of Iowa experienced a 20.1 percent increase in medical insurance costs in 2002. Despite the increase, "we made a conscious decision to continue providing the medical benefit on a rich basis," explains Robinson. "We shopped around to find the lowest cost possible and then changed carriers." The company also maintains open, honest communication with employees about the challenges involved in providing a strong medical insurance benefit.

### **Other interesting facts:**

- Part-time employees receive medical insurance, dental insurance and 401(k) plan with company match
- Sponsors company-paid "lunch and learn" sessions on investing
- Uses local and national benchmarking data to make sure their benefits are competitive

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## FARMERS MUTUAL HAIL INSURANCE COMPANY OF IOWA

DES MOINES, IOWA

*"We believe that if you spend a good part of your career with Farmers Mutual Hail, your financial security should be pretty well assured."*

— *Steve Fischer, vice president of human resources, Farmers Mutual Hail Insurance Company of Iowa*

**Type of business:** Offers crop hail insurance in 15 Midwestern states, multi-peril crop insurance in selected areas and reinsurance both domestically and internationally

**Number of employees:** 194

**Founded:** 1893

**Web site:** [www.fmh.com](http://www.fmh.com)

### Benefit highlights:

- 97 percent employer-paid medical insurance premiums for employees; 75 percent employer-paid premiums for dependents
- 401(k) plan with match of 50 percent up to 2 percent of pay; average 401(k) deferral of 6 percent
- Pension plan
- Strong retiree benefits, including medical, prescription drug, dental, vision and hearing insurance



Steven Rutledge,  
Farmer's Mutual Hail  
Insurance Company

Daniel Houston,  
The Principal

- Tuition reimbursement
- Section 125 flexible spending account

**Percent of employees participating in retirement plan:** 95 percent

### How they've dealt with rising medical insurance costs:

Between 1998 and 2003, Farmers Mutual Hail's medical insurance costs increased by 54 percent. For the first time in five years, the company passed a portion of the increase onto employees in the form of 5 percent coinsurance on outpatient and inpatient costs. Employee premium contributions did not increase; dependent premium contributions increased by 13 percent.

### Other interesting facts:

- Employees may arrange one-on-one meetings with the company's benefits consultant to learn more about financial planning and benefits
- Distributes personalized total compensation statements – showing each employee's salary and the cost to the company of each benefit the employee receives – to educate employees about the company's contributions towards benefits

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## **HYPERTHERM, INC.**

**HANOVER, N.H.**

*"We will never turn to a layoff situation unless we're all going down together."*

— Brenda Blair, director of human resources, Hypertherm, Inc.

**Type of business:** Manufacturer of plasma-cutting equipment for the metalworking industry

**Number of employees:** 579

**Founded:** 1968

**Web site:** [www.hypertherm.com](http://www.hypertherm.com)

### **Benefit highlights:**

- 81 percent employer-paid medical insurance premiums for employees and dependents
- 401(k) plan with company match of 25 percent up to 6 percent of pay; average 401(k) deferral of 8.7 percent
- Employee Stock Ownership Plan (ESOP)
- Profit sharing plan
- 529 college savings plan
- Long-term care insurance
- Tuition reimbursement
- Section 125 flexible spending account



Employees at Hypertherm, Inc.

**Percent of employees participating in retirement plan:** 92 percent

### **How they've dealt with rising medical insurance costs:**

Hypertherm's medical insurance costs increased by 4 percent in 2002. Employees' costs were also increased by 4 percent. To combat the trend, the company has increased education about the cost, value and use of healthcare services.

### **Other interesting facts:**

- Adheres to a strict no-layoff policy despite being a manufacturing firm in a highly competitive industry
- Named in 2002 as one of *FORTUNE* magazine's 100 Best Companies to Work For

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## LANCET SOFTWARE DEVELOPMENT, INC.

EAGAN, MINN.

*"Having a great benefits package helps us attract and retain customers. If we have a good, stable work force, it can help drive business."*

— Tom Niccum, Ph.D., CEO, Lancet Software Development

**Type of business:** Software development firm that implements and delivers web-based software, e-commerce sites and web-enabled business decision support tools

**Number of employees:** 17

**Founded:** 1997

**Web site:** [www.lancetsoftware.com](http://www.lancetsoftware.com)

### **Benefit highlights:**

- 100 percent employer-paid medical insurance premiums for employees and dependents
- 401(k) plan with guaranteed company contribution of 3 percent of pay; average 401(k) deferral of 9 percent
- Contingent stock ownership plan
- Profit sharing plan
- Deferred compensation plan



Recognition Event at Lancet Software Development, Inc.

- 100 percent employer paid short- and long-term disability, life insurance, and accidental death and dismemberment insurance
- Tuition reimbursement
- Section 125 flexible spending account

**Percent of employees participating in retirement plan:** 100 percent

### **How they've dealt with rising medical insurance costs:**

Thanks to some careful research and a change in providers, Lancet Software Development actually saw their medical insurance costs decrease in 2002.

### **Other interesting facts:**

- Named one of the seven best small companies to work for in Minnesota

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## MEEMIC INSURANCE COMPANY

AUBURN HILLS, MICH.

*"People are very concerned about benefits. They think, 'maybe I might make a little less take-home pay here, but if the benefit plan is better, then it's worth it.'"*

— Lynn Kalinowski, president, MEEMIC Insurance Company

**Type of business:** Writes auto, homeowner, boat and umbrella insurance for educational employees and their immediate families in the state of Michigan

**Number of employees:** 190

**Founded:** 1950

**Web site:** [www.meemic.com](http://www.meemic.com)

### Benefit highlights:

- 87 percent employer-paid medical insurance premiums for employees and dependents
- 401(k) plan with company match of 50 percent up to 5 percent of pay, plus a guaranteed 3 percent company contribution; average 401(k) deferral of 6.4 percent
- Profit sharing plan
- Tuition reimbursement
- Section 125 flexible spending account



Recognition Event at MEEMIC Insurance Company

**Percent of employees participating in retirement plan:** 96 percent

### How they've dealt with rising medical insurance costs:

MEEMIC Insurance Company experienced a 20 percent increase in medical insurance costs in 2002. Only 2 percent of this increase was passed on to employees. "The company was profitable due to our employees' efforts, so we used profits to absorb the increased costs to reward our employees for their great work," explains Kalinowski.

### Other interesting facts:

- Merged their money purchase plan into the 401(k) plan to reduce costs (The 3 percent money purchase plan contribution is now directed into the 401(k) plan)
- Successfully competes with General Motors, Ford and Chrysler for employees

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## MSU FEDERAL CREDIT UNION

EAST LANSING, MICH.

*"We strongly believe that benefits are a retention tool for us. Our turnover is approximately half of the average credit union's turnover."*

— Todd Surline, vice president of human resources,  
MSU Federal Credit Union

**Type of business:** Largest university-based credit union in the world

**Number of employees:** 260

**Founded:** 1937

**Web site:** [www.msufcu.com](http://www.msufcu.com)

### **Benefit highlights:**

- 100 percent employer-paid medical insurance premiums and 100 percent employer-paid hospital coverage for employees, dependents and retirees
- 401(k) plan with company match of 200 percent up to 5 percent of pay; average 401(k) deferral of 10 percent
- 100 percent employer-paid long-term disability insurance premiums
- Tuition reimbursement
- Section 125 flexible spending account



Todd Surline, MSU Federal Credit Union

**Percent of employees participating in retirement plan:** 92 percent

### **How they've dealt with rising medical insurance costs:**

MSU Federal Credit Union saw their medical insurance costs increase by 17 percent in 2002; none of this increase was passed on to employees. Two years ago, the credit union began offering three medical plans to employees. The company pays the entire premium for the lowest-cost plan; employees contribute a small amount toward the premium if they choose one of the other two plans.

### **Other interesting facts:**

- To educate employees on good health and the best use of medical benefits, the company holds health fairs, sends out newsletters and regularly discusses benefits during staff meetings
- Challenges employees to increase their contributions into the 401(k) plan by just one percent each year

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## NOESIS, INC.

MANASSAS, VA.

*“When our people are comfortable with how they and their families are being taken care of, they do a phenomenal job of delighting their customers.”*

— Richard Martin, president, Noesis, Inc.

**Type of business:** Provides customers in government, industry and academia with solutions to managing high technology programs

**Number of employees:** 140

**Founded:** 1994

**Web site:** [www.noesis-inc.com](http://www.noesis-inc.com)

### Benefit highlights:

- 100 percent employer-paid medical insurance premiums for employees and dependents
- 401(k) plan with company match of 100 percent of employee contributions between 4 percent and 8 percent of pay; average 401(k) deferral of 8.7 percent
- Profit sharing plan
- Money purchase plan
- Tuition reimbursement
- Section 125 flexible spending account



Richard Martin, Noesis, Inc.



Bill Haley, Noesis, Inc.

**Percent of employees participating in retirement plan:** 95 percent

### How they've dealt with rising medical insurance costs:

Noesis' medical insurance costs increased by 19 percent in 2002. “Last year was the first year we asked employees to pay a portion of their medical and dental insurance,” says Martin. “We increased the co-pays and gave the employees a choice between an HMO and a POS, which lowered our overall premium costs. For employees who choose the POS coverage, we are charging from 3 percent to 12 percent (of the total premium) depending on the level of coverage and their salary. We are still paying 100 percent of the premium for employees who choose HMO coverage.”

### Other interesting facts:

- Many of Noesis' employees are retired from careers in the military
- Gives employees who choose not to enroll in medical and/or dental insurance (due to military insurance coverage or spouse's insurance coverage) extra compensation each month

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## PARR INSTRUMENT COMPANY

MOLINE, ILL.

*"It's our philosophy to provide benefits that ensure employees' income streams for the life of their careers with Parr."*

— Rich McMurray, treasurer, Parr Instrument Company

**Type of business:** Engaged in the design, manufacture and sale of laboratory instruments and apparatus

**Number of employees:** 80

**Founded:** 1899

**Web site:** [www.parrinst.com](http://www.parrinst.com)

### Benefit highlights:

- 80 percent employer-paid medical insurance premiums for employees and dependents
- 401(k) plan with company match of 75 percent up to 6 percent of pay; average 401(k) deferral of 9.1 percent
- Pension plan
- 100 percent employer-paid premiums for long-term disability, short-term disability and accidental death & dismemberment insurance
- Tuition reimbursement
- Section 125 flexible spending account



Employees of Parr Instrument Company

**Percent of employees participating in retirement plan:** 91 percent

### How they've dealt with rising medical insurance costs:

Parr Instrument Company was one of the lucky few for which medical insurance costs actually decreased slightly in 2002. This cost savings was passed on to employees in the form of a lower premium. According to Rich McMurray, treasurer, Parr Instrument Company, "It's all in the education of our employees on benefits. We gave employees a handbook on healthcare and medical insurance. We've given them access to the Internet, not only to review their claims processing and benefits summaries but also to access several different medical portals."

### Other interesting facts:

- Sponsors free investment education and free retirement seminars for employees
- To increase employee understanding and appreciation of benefits, the company uses an annual employee benefits summary, which shows benefits on a per hour's basis compared to hourly earnings

# Meet The Principal 10 Best Companies for Employee Financial Security

## STRATA ENVIRONMENTAL SERVICES, INC.

KNOXVILLE, TENN.

*"If a company is there for the employees, you can wind up with a lot more dedication. We get a lot of after-hours contributions from our employees because they feel like they're part of the team."*

— Charles Ferst, president, Strata Environmental Services, Inc.

**Type of business:** Provides consulting services in geosciences, engineering, air and water quality, regulatory compliance and environmental due diligence

**Number of employees:** 20

**Founded:** 1992

**Web site:** [www.strataenv.com](http://www.strataenv.com)

### **Benefit highlights:**

- 100 percent employer-paid medical insurance premiums for employees and dependents
- Profit sharing plan with a 7 percent to 15 percent annual employer contribution
- 100 percent employer-paid premiums for long-term disability, short-term disability and accidental death and dismemberment insurance
- Section 125 flexible spending account



Recognition Event at Strata Environmental Services, Inc.

**Percent of employees participating in retirement plan:** 100 percent

### **How they've dealt with rising medical insurance costs:**

The company's medical insurance costs doubled in 2002. To deal with this phenomenal increase, Strata Environmental Services increased employees' deductibles while adding a gap policy to cover that deductible.

### **Other interesting facts:**

- In the process of adding an ESOP
- Offers free financial planning with a CERTIFIED FINANCIAL PLANNER™ practitioner

WE UNDERSTAND WHAT YOU'RE WORKING FOR<sup>SM</sup>



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Des Moines, Iowa 50392-0001

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