

NEWS RELEASE

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WESTERN BENEFITS ACQUIRED BY CYPRESS *Portland, Oregon-Based Firm Becomes Part of Cypress Benefit Administrators*

Appleton, Wis. (February 3, 2011) – Cypress Benefit Administrators, an Appleton, Wisconsin-based third party administrator of health benefits, announced today that it has acquired Western Benefits, Inc. of Portland, Oregon in a transaction that principals of both organizations note will bring more product and technology options to clients of Western Benefits. Terms were not disclosed for the sale, which was finalized as of February 1.

Little is expected to change internally at the former Western Benefits as a result of the merger, according to Tom Doney, president and co-founder of Cypress along with Marsha Phillips, the company's chief operating officer. Clients of Western Benefits – primarily located in Oregon, Washington and Alaska – should also see very little change, according to Doney. Operations will continue from Western Benefits current offices, contact information will remain the same, and claims administration and customer service responsibilities will continue to be offered out of the Portland office, utilizing the Western Benefits employees currently handling those duties.

Dozens of employers representing about 20,000 employees and family members currently access Western Benefits' services. With the addition of Western Benefits, Cypress now extends its service reach to clients in 49 states and two Canadian provinces.

Ross Dwinell, president of Western Benefits, indicated that Cypress was a good fit for the sale of his company. "Selling Western Benefits to Cypress gives us an opportunity to offer our clients, many of whom have been with us for many years, a chance to work with an organization that will have an immediate, positive impact on the cost and quality of their benefit plan offerings, Dwinell said. "Additionally, Cypress brings a more comprehensive set of services than our clients have had access to in the past, including wellness plans, medical advocacy programs and a unique set of Medical Risk Management programs that have already saved millions of dollars for Cypress clients over the past several years."

Dwinell, who will continue with Cypress in a leadership role, also added that the combination of Cypress Benefit Administrators' national perspective, along with its commitment to maintaining a long-term local presence in Portland, ultimately convinced him to choose Cypress as the partner for his company.

"The acquisition of Western Benefits represents an important step for Cypress Benefit Administrators as we continue to expand our focus throughout the country, particularly in the Pacific Northwest, which has several major metropolitan markets and is in need of a strong third party administrator," Doney said. "With our experience in administering employer benefit plans across the country, our state-of-the-art technology and our expertise in wellness and Consumer-Driven Health Plans, we can deliver plan options currently unavailable to Western Benefits clients."

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The newly merged organizations plan on concentrating on a seamless integration of the companies throughout February and introducing additional services to clients and agents through the remainder of 2011, said Dwinell, who founded Western Benefits, Inc. in 1999.

Since opening its doors in 2000, Cypress has been growing efficiently by pioneering the way toward cost containment in healthcare as the country's first third party administrator – or TPA – to bring claims administration, consumer-driven health plans and proven cost containment measures together in one package for employers.

With this acquisition, Cypress now administers self-funded medical, dental and other employee benefit plans for over 200 clients throughout the U.S. – the lone exception being Hawaii – and the aforementioned two Canadian provinces, with employers ranging in size from 25 employees to 18,000.

Through the years, Cypress has maintained a steady growth pattern by marketing its distinctive business formula, known as the “Cypress Solution,” to employers who continue to struggle with rising healthcare costs. “They’re making the switch to Cypress, a fact that’s underscored by our numbers, which illustrate that we’ve been able to weather these challenging economic times with a growth of 24 percent in new employer relationships.” Doney said.

To achieve the most fiscally responsible healthcare benefit results for the employers it represents, Cypress Benefits combines the traditional fundamentals of healthcare with innovative methods of the future to create customized employee benefit plans that combine the right mix of health insurance options to address the varying needs of each employer. Customized Cypress Benefit plans give employers the tools to: minimize and eliminate claims, involve employees in the decision-making process, and modify the plan however and whenever necessary.

The Cypress Solution involves four key components: claim reduction/elimination, employee information/decision assistance, cost management, and employer data management and information/decision assistance. Additionally, The Cypress Solution offers a variety of contemporary features, including a Medical Advocate Program (MAP), Medical Tourism, Cancer Cost Management, Prescription Cost Management, Dialysis Cost Containment, Organ Transplant Carve-Out Insurance, Alternative Access to Care, COBRA, Cypress Online, Flexible Spending and HRA Administration, aggressive claim review through Argus Claim Review, a division of Cypress Benefit Administrators; and Utilization, Case and Disease Management, among other products and services.

For more information about Cypress Benefit Administrators, Argus Claim Review or The Cypress Solution, visit www.cypressbenefit.com.

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Editor's Note: Self funded (a/k/a self insured) employers act as their own “insurance company” by paying their own claims, administrative costs and creating financial safeguards against large, unexpected claims. In other words, the employer retains the risk for the cost of medical, dental and other services covered under the plan. Over 70% of all U.S. employers self- fund at least some of their employee benefit plans (SOURCE: Society For Professional Benefit Administrators(SPBA), Chevy Chase, MD, based on information from the Congressional Budget Office, General Accounting Office and Health Care Financing Administration)