

CASE STUDY

How HUB Helped Signet Health Complete a Major Acquisition and Achieve Long-Term Savings

Executive Summary

Signet Health’s acquisition of Diamond Healthcare was challenging: Signet, which operates mental health facilities around the country, would expand from 58 employees to 730 and from \$10 million in revenue to \$60 million. One of Signet’s biggest concerns was determining how to merge insurance and benefits.

Signet Health

INDUSTRY: **Healthcare**

SERVICES: **Inpatient Mental Health Management Acute Rehabilitation Management**

LOCATION: **Denton, TX**

CHALLENGE

The integration of Diamond Healthcare into Signet required extensive due diligence to ensure appropriate insurance coverage for the new entity, regulatory compliance was in order and Signet properly managed costs.

- The deductible on Diamond’s property insurance was equal to their limit; therefore, they had no coverage.
- Diamond’s employee benefits program needed updating. Unlike Signet, Diamond did not offer a Roth IRA, creating a harmonization issue. And mandated nondiscrimination testing of Diamond’s retirement plan was far behind schedule.

SOLUTION

Drawing on resources from across the organization, HUB addressed the issues across insurance, employee benefits and retirement plans. HUB developed strategies to integrate property and casualty coverages and identify savings. HUB also built a new benefits management system, while maintaining both companies’ benefits plans until renewal, given Signet’s improved leverage as one unit. At the same time, HUB retirement experts recommended adding a Roth IRA option to Diamond’s retirement plan and also advised auto-enrollment at a higher wage deferral rate to help ensure balance in a top-heavy plan.

RESULTS

Bringing all of HUB’s expertise to bear paid major dividends for Signet. HUB’s work on the P&C and employee benefits packages of the two companies was instrumental to a successful merger. HUB saved Signet nearly \$400,000 annually in P&C line premiums while securing better coverage. The new benefits management system resulted in lower payroll, and the combination of the retirement plans will result in savings of at least \$30,000 to \$40,000 annually.

“We live by our mission of advocating for people when they are at their most vulnerable. HUB’s team members understand our mission, too. That means they are really engaged in more than providing insurance products but being part of something bigger.”

Jerry Browder,
CEO, Chairman of the Board

M&A Advisory and Audit



New Tailored Insurance Solution



Reimagining Benefits and Retirement Plans



More than \$500,000 in annual savings

