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NASDAQ

BeneServ Corp. blossoms

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Some would say Russ Carlson had nothing to lose by rolling out additional health-care services free of charge after struggling in his first year as a health-care broker.

Now, those same cynics have watched Carlson, president of BeneServ Corporate Benefit Services, stick to his business model and virtually double the Springfield company's gross revenue to \$1.2 million since 2002.

With a 50 percent increase in revenue in 2004, the 44-year-old Middletown resident does not see a reason to change now.

"We're just known as the agency that gives away the free services," Carlson said. "A lot of other brokers just think we're crazy because you know you don't have to do this, but I just think it's a great business model and it's been so successful for us."

Instead of simply setting companies up with health-care packages and handing them off to the insurance carrier, Carlson said BeneServ adds and



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Russ Carlson, president of BeneServ Corp. Benefit Services, stands behind his desk in his office in Springfield.

removes employees from policies and handles the burden of COBRA services, with no cost to the employ-

er or the employee.

BeneServ's sole revenue comes from the insurance carrier upon the company's

payment of premiums.

One might naturally think that by offering these additional administrative services free of charge, Carlson incurs additional expenses, which is true.

On the other hand, increasing revenue by almost 50 percent each of the last three years has helped cover higher expenditures.

"I really felt that health-insurance premiums have gotten so expensive that I wanted to give more back to my clients," he explained. "It's really about offering more to my clients...by doing that, we've grown by over 50 percent in revenue in the last three years."

"If I felt another broker was offering more services, which will never happen, I would just go out and offer other services."

Carlson founded Carlson Insurance Services in 1985, before transforming the company to BeneServ in 2000. With seven sales and seven administration employees, the company has added locations in West Chester and Center City Philadelphia.