

Choice Hotels is First Major U.S. Hotel Chain to Offer HospitalityCare

Affordable Health Benefit Plan Designed for Employees of Choice Hotels Franchised Properties

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Choice Hotels International announces that it has selected Planned Administrators, Inc. (PAI) to offer and administer HospitalityCare to its franchisee base. HospitalityCare is a limited benefit health insurance plan designed to meet basic health coverage needs of Choice Hotels franchisees and their employees.

Because Choice Hotels has over 4,400 domestic franchised hotel properties, the HospitalityCare plan will be available to an estimated 40,000 employees. Choice Hotels is the first major U.S. hotel chain to offer HospitalityCare, a limited benefit health insurance plan, available to its franchise owners and their employees. Over 260 hotels have already signed up to make coverage available to their employees.

"This totally new and unique plan has not before been made available on this scale in the hospitality industry," said Paul Payette, senior director franchisee solutions, brand solutions for Choice Hotels. "It's a way of doing our part to make health care more readily available to the hard-working hotel employees and continues our commitment to help franchisees find innovative solutions to better their business."

HospitalityCare is administered by PAI, a national limited benefits administrator. HospitalityCare plans are designed and sold through Insurance Applications Group (IAG) of Greenville, SC, and underwritten by BCS Insurance Company of Oakbrook, IL and Companion Life Insurance Company of Columbia, SC. PAI has more than 20 years experience providing flexible and dependable service, quality plan administration and superior employee customer service. The new plan offers an easy to understand complete package of affordable limited health benefits to hourly workers with no required minimum participation and full employee eligibility.

The plan starts at under \$20 per week for the employee only and is available in three rate tiers allowing the employee to opt for coverage for themselves, their spouse and their children. Employees can also choose to add dental, vision, short-term disability or life insurance options to their plan.

Offering a limited benefit health plan to their hourly wage and temporary employees could give franchisees a competitive edge in recruiting and retaining the best employees. A study done by Society for Human Resource Management rated health insurance the #1 most effective employee retention tool, even higher than salary.

"Service industries like hospitality are seeking cost-effective solutions for attracting and retaining employees, and many companies are turning to limited health benefits to meet their goals," said David Huntington, President and COO of PAI. "Companies offering health benefits often experience a substantial reduction in employee turnover rates, leading to lower costs associated with hiring and training, improved customer service, and better employee morale."

By comparison, the cost of major medical coverage for employee only coverage in 2007 averaged over \$300 per month, more than \$1,000 per month for family coverage, and year-over-year rate increases continue to escalate. Now employees and their families that were

previously uninsured can have access to primary care physicians and prescription drug coverage to meet day-to-day health care needs. The plans do not include catastrophic coverage, but provide basic coverage for services including maternity care, minor surgery, outpatient care and more. Enrollment for HospitalityCare began in December 2007 and will continue across the country.

About Choice Hotels

Choice Hotels International franchises more than 5,500 hotels worldwide, representing more than 450,000 rooms, in the United States and 37 countries and territories. As of December 31, 2007, 1,004 hotels are under development in the United States, representing 79,342 rooms, and an additional 89 hotels, representing 8,640 rooms, are under development in more than 15 countries and territories. The company's Comfort Inn, Comfort Suites, Quality, Sleep Inn, Clarion, Cambria Suites, MainStay Suites, Suburban Extended Stay Hotel, Econo Lodge and Rodeway Inn brands serve guests worldwide.

Additional corporate information may be found on Choice Hotels Web site, which may be accessed at <http://www.choicehotels.com/>.

About PAI

Providing value for self-funded plans since 1981, Planned Administrators Inc. is a third-party administrator (TPA) of health care plans. The company is focused on claims administration, utilization management and customer service, with expertise in payroll deduction, limited benefit administration, and in administering health plans that help national clients with part-time and hourly workers achieve their recruitment and retention goals. For more information, visit <http://www.paisc.com/>.

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