



SeibertKeck
INSURANCE

GROUP CAPTIVES

Prism Purchasing Solutions and SeibertKeck Insurance Partners proudly offer unique insurance and risk management programs in Health Insurance, Group Captives, Self-Funding, Guaranteed Cost Options, and more.

THE FACTS

Healthcare costs are rising, doubling up every six years. The current fully insured system doesn't reward companies who make cost controlling efforts. Most employers don't get information on claims or utilization to make changes necessary to improve outcomes.

YOUR PLAN

Your plan needs to offer cost savings and needs to avoid some of the negative impacts of the ACA. Your plan has to offer members control over cost and plan design. With low risk, your plan needs to give members knowledge to make best decisions.

CAPTIVES

Captive - an insurance company that provides insurance to and is controlled by its owners. There are more than 5,000 captives worldwide, performing better than fully-insured programs. Minimize financial impacts and reduce volatility.

COST CONTROL

Unused premiums are paid back to participating employers as dividends. Claims costs and the effects of large claims are reduced through a Captive Loss Fund. Wellness programs and more provide cost containment opportunities.

Key Benefit: Detailed reporting on your medical spend.

We use medical spend data to design benefits and help you put together programs for pharmacy management and wellness. These programs can help shape employee usage and behavior. For groups under 100, detailed loss information IS available.



YOU HAVE CHOICES.

HOW DOES THE PROGRAM WORK?

We work with each Plan Sponsor to determine an appropriate self-funded component for your organization.
80% of claims for employees total under \$1,000 per year.

Your group's Loss Fund will cover the cost from your retention to the Stop Loss.

Each Plan Sponsor will fund a "Collateral" account at policy issue - this fund is approximately 5% of annual expected cost.

THE CAPTIVE LOSS FUND

All participating companies will pay into the aggregate risk account to fund claims between \$25,000 and \$500,000.

With thorough underwriting standards, the ability to participate will be scrutinized.

Each month, each Plan Sponsor will pay a premium for each employee - used to fund claims between \$25,000 and \$500,000

HOW IT WORKS

Collateral is paid to the captive manager:

- Paid at enrollment in program
- Can be adjusted annually

Monthly costs are paid to TPA:

- Administrative cost, stop loss and captive loss fund premium
- Claims: incurred on a weekly basis

THE DIVIDEND PROCESS

Any funds remaining in the Captive Loss Fund will be paid out as a dividend to all Plan Sponsors who paid in premium.

Dividends will be proportionate to the amount paid into the Aggregate Risk Account.

Dividend calculation occurs 180 days after the plan year ends and funds are sent to Plan Sponsors.

CAPTIVE SELF-FUNDED PLAN DESIGN

Claims become more predictable with large numbers of participants, 98% predictability at 400 lives.

Specific Stop Loss limits employer's exposure for any one person.

20% of employees will incur 80% of your claims.

Captive Loss Fund dilutes the effects of large claims.