

Health Plan Savings, Transparency, and Stability for ESOP Companies



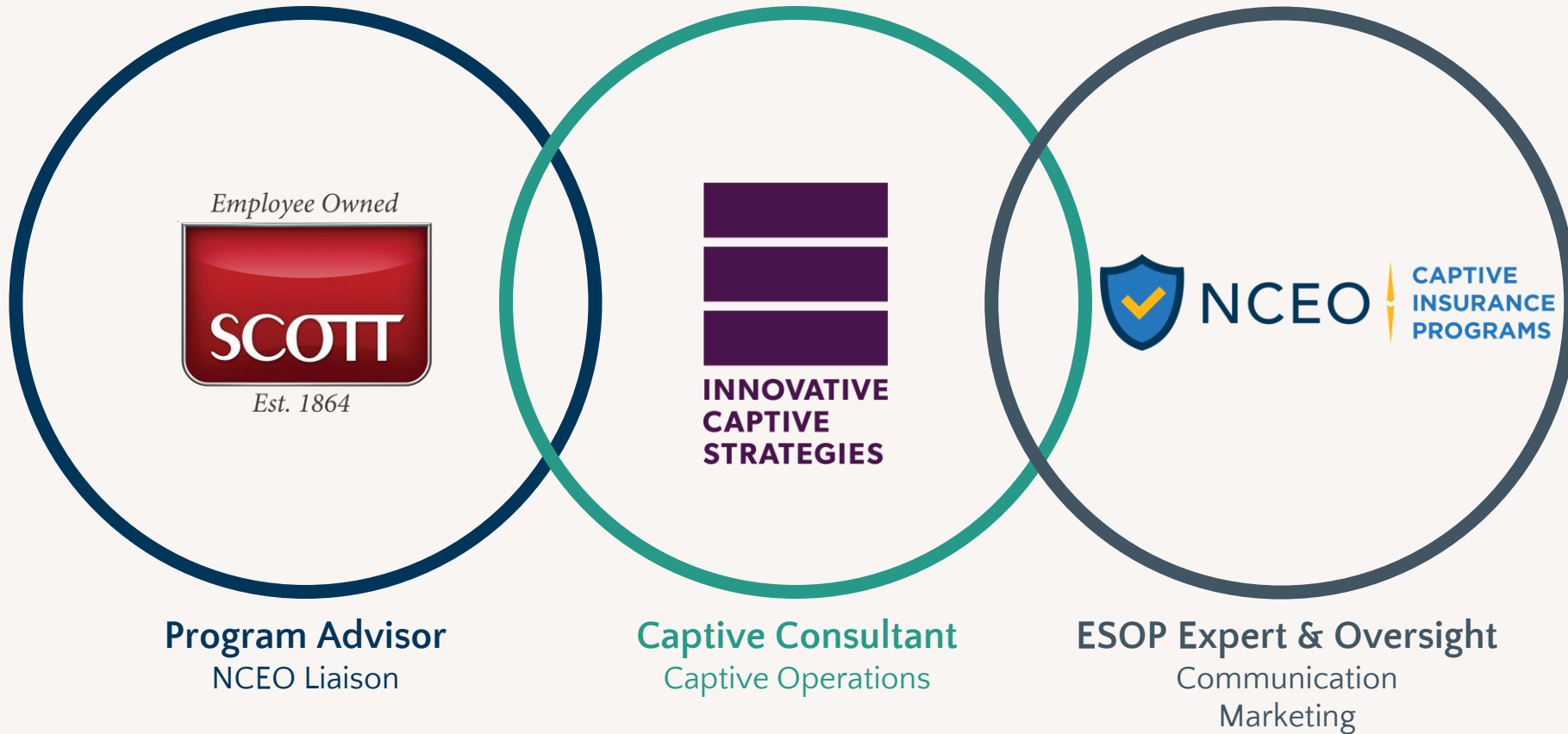
Pim Jager
Captive Practice Leader



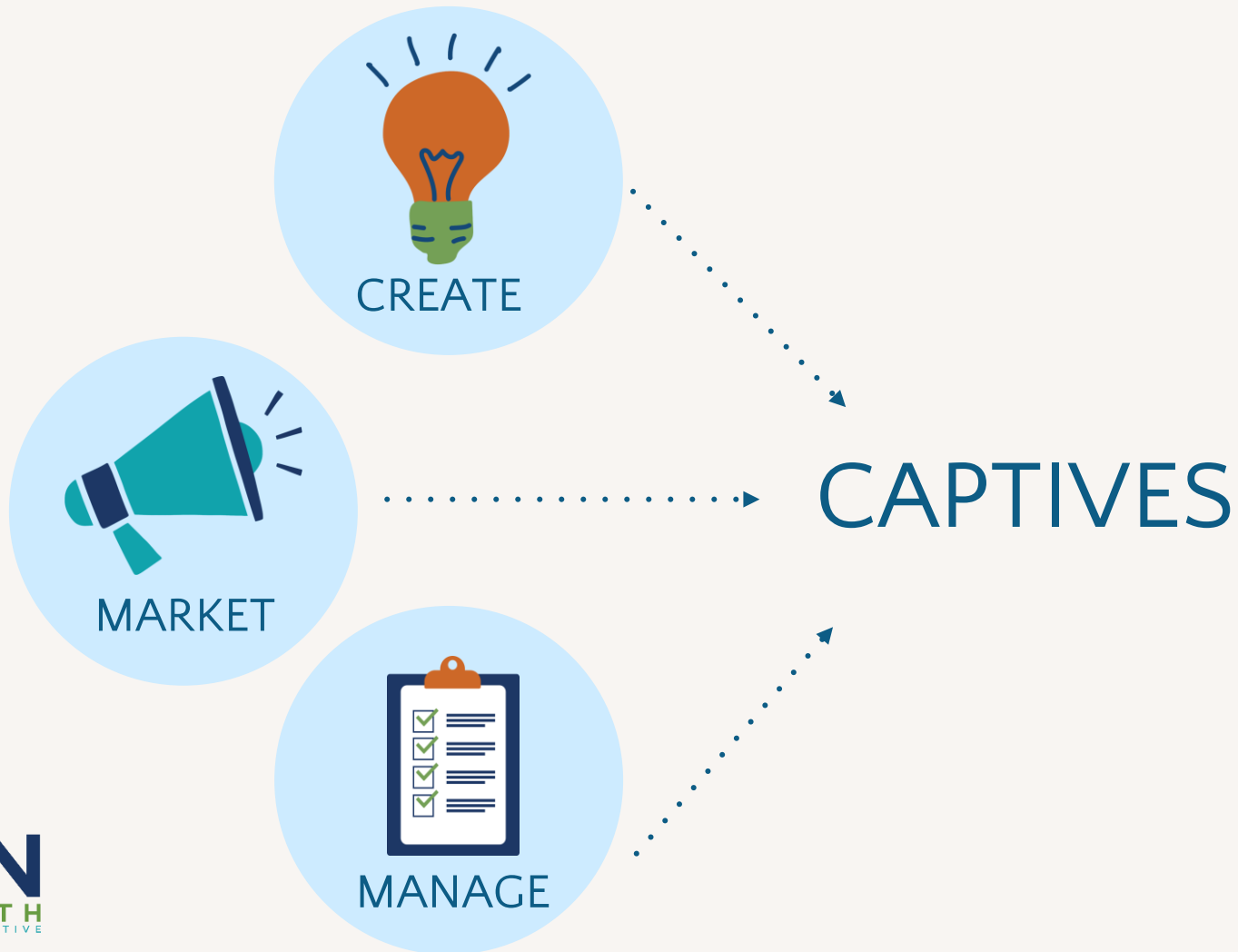
Abby Zipoy
Captive Executive



A True Partnership



Innovative Captive Strategies



Property
Casualty
Since 1999

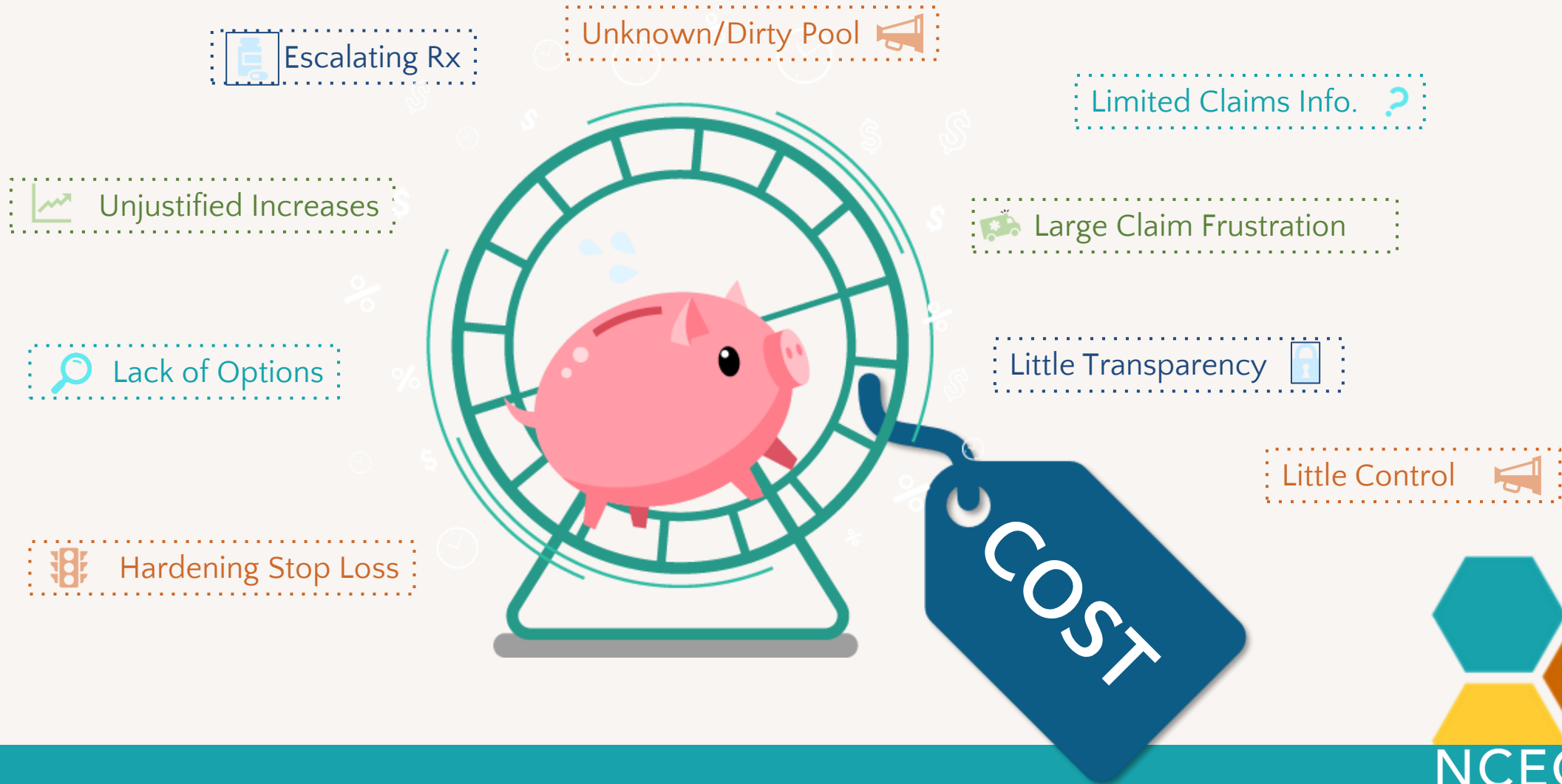


Alternative Risk
& Consulting
Since 2004



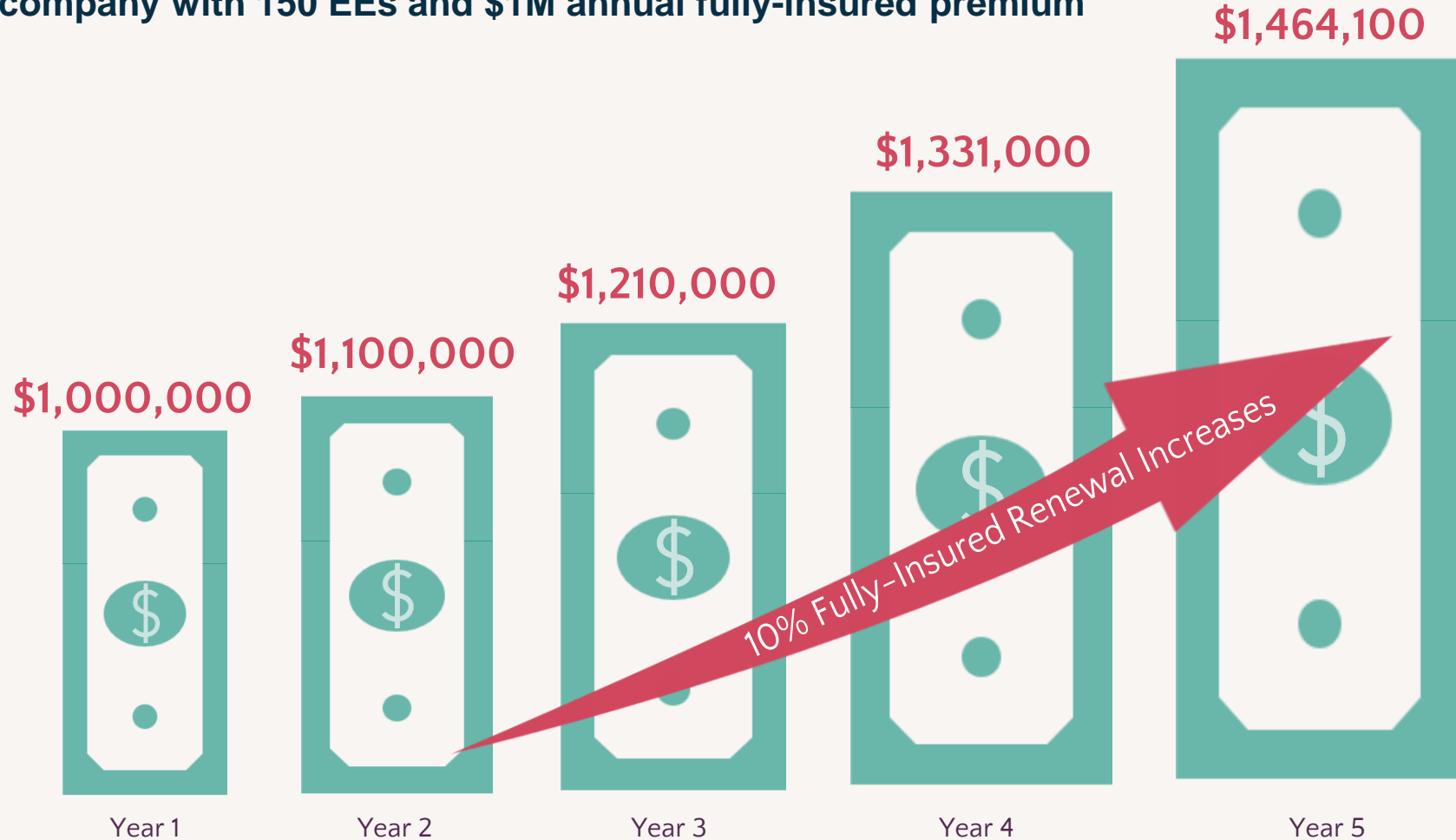
Employee
Benefits
Since 2012

Why Are We Here?

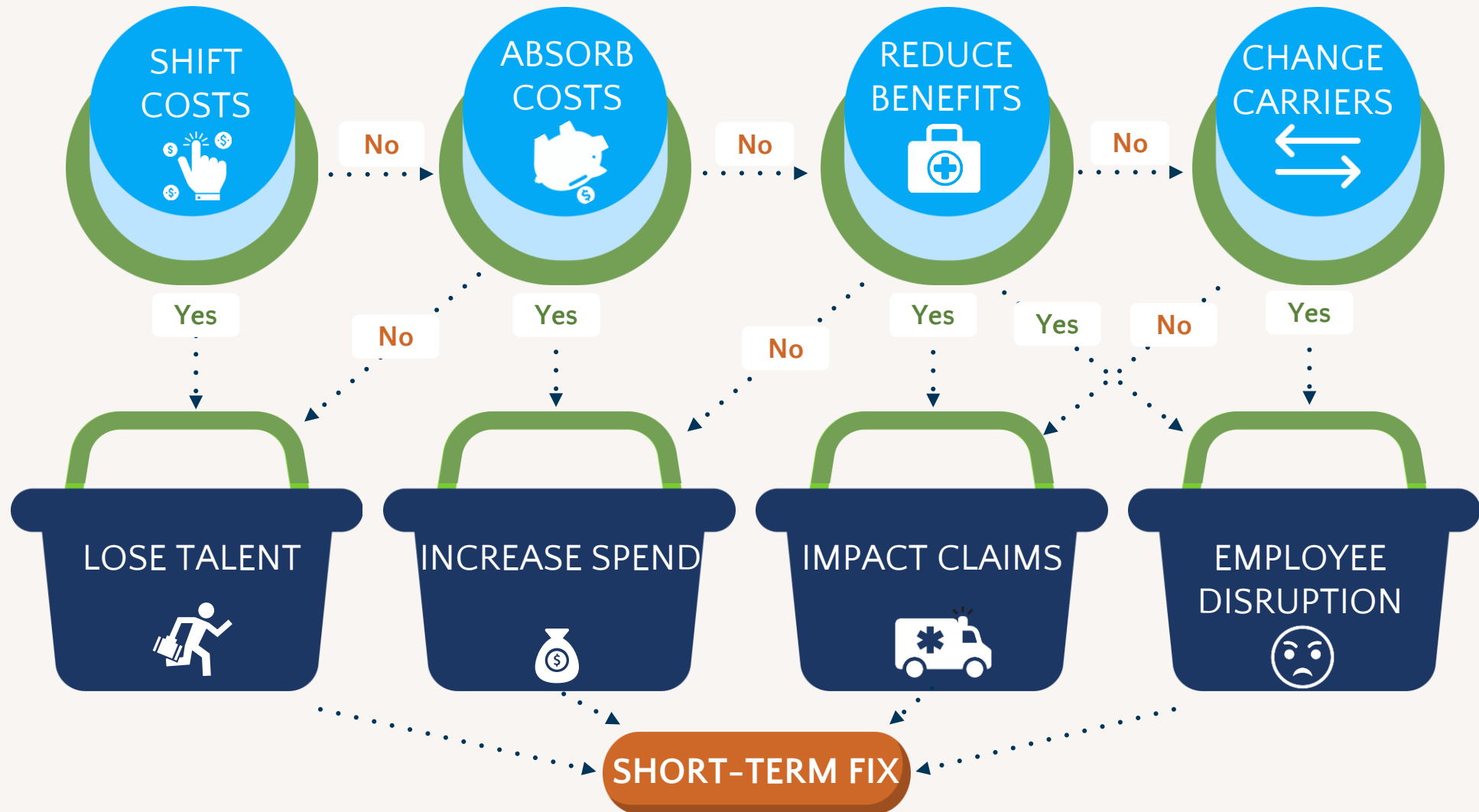


Fully-Insured Trajectory

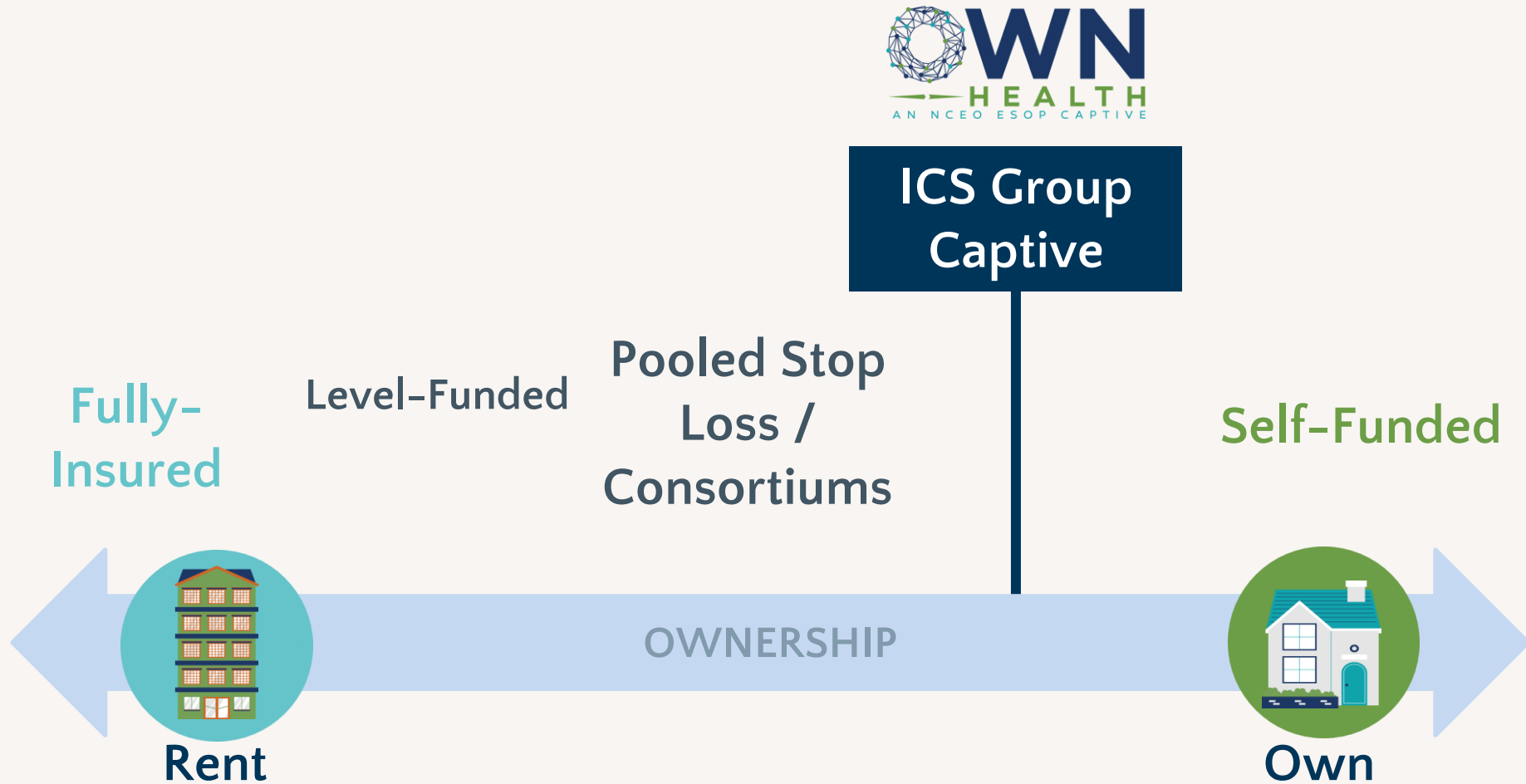
Sample company with 150 EEs and \$1M annual fully-insured premium



Today's Market: What Can You Do?



Funding Options



What is a Group Captive?



Opportunity



Stability




Control



Introducing: OWN Health



Carrier:	 Sun Life
Effective Date:	7/1/2021
EE Size Range:	50-1000+ EEs (Avg. 180)
% Fully-Insured:	60%
% Self-Funded:	40%

Common Industries:



Construction



Manufacturing



Insurance
Services



Engineering



Distribution



Plumbing, Heating
& Air Conditioning



Farm Equipment

Who Can Join This Cleaner Pool?

The
Numbers

The
Mindset



What Do Members Have in Common?

Same



Stop Loss Carrier



Data Analytics Vendor



Captive Manager



Mentality



ESOP & NCEO Member



NCEO Advising Agency

Unique



Plan Design



Contribution Strategy



Self-Insured Retention



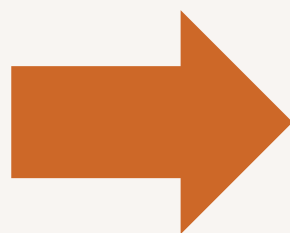
TPA/Network



Your Culture



Your Broker



Opportunity



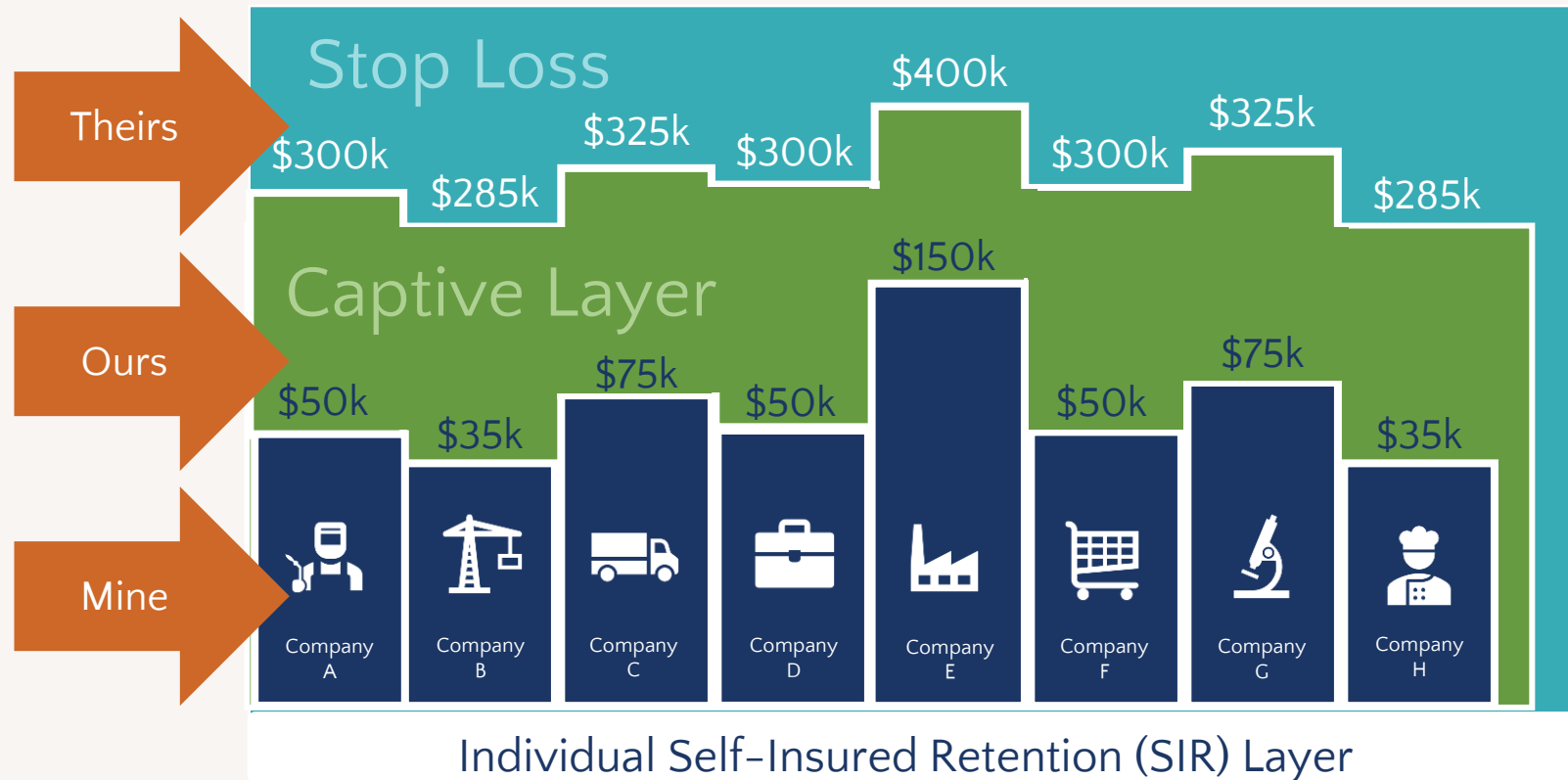
Stability



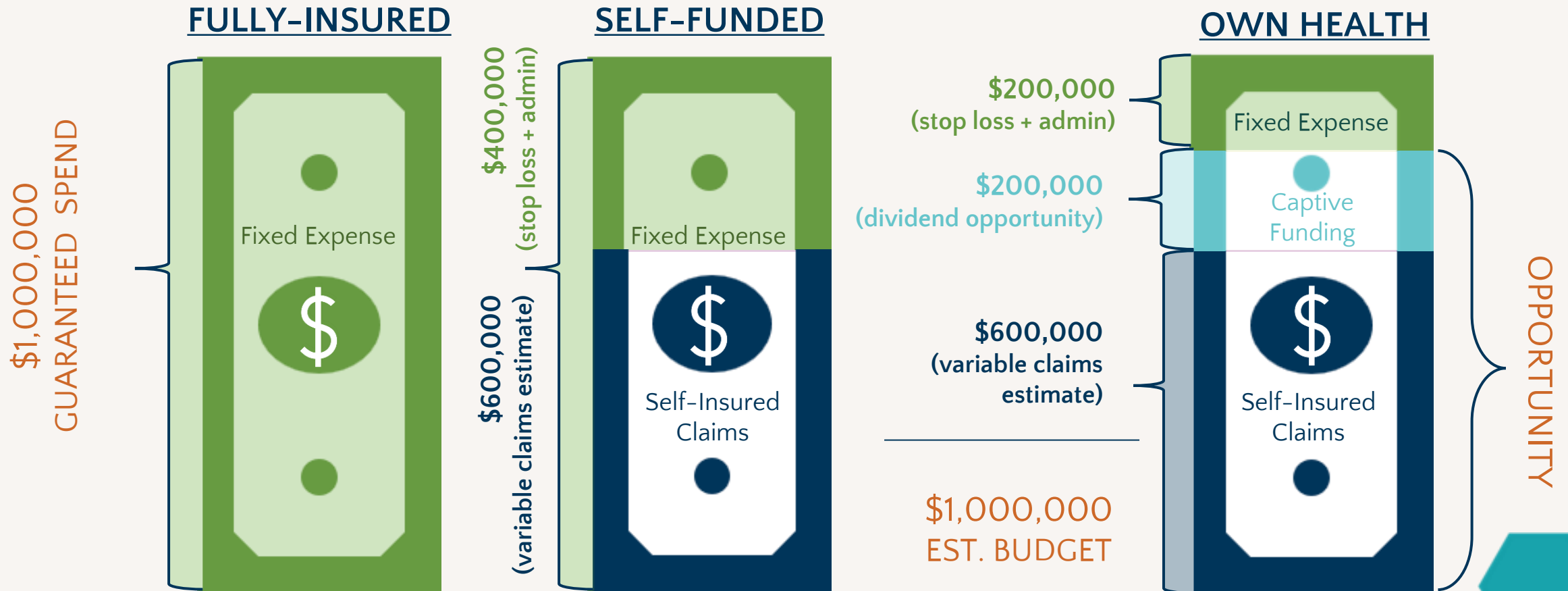
Control



Captive Structure



Dollar Breakdown

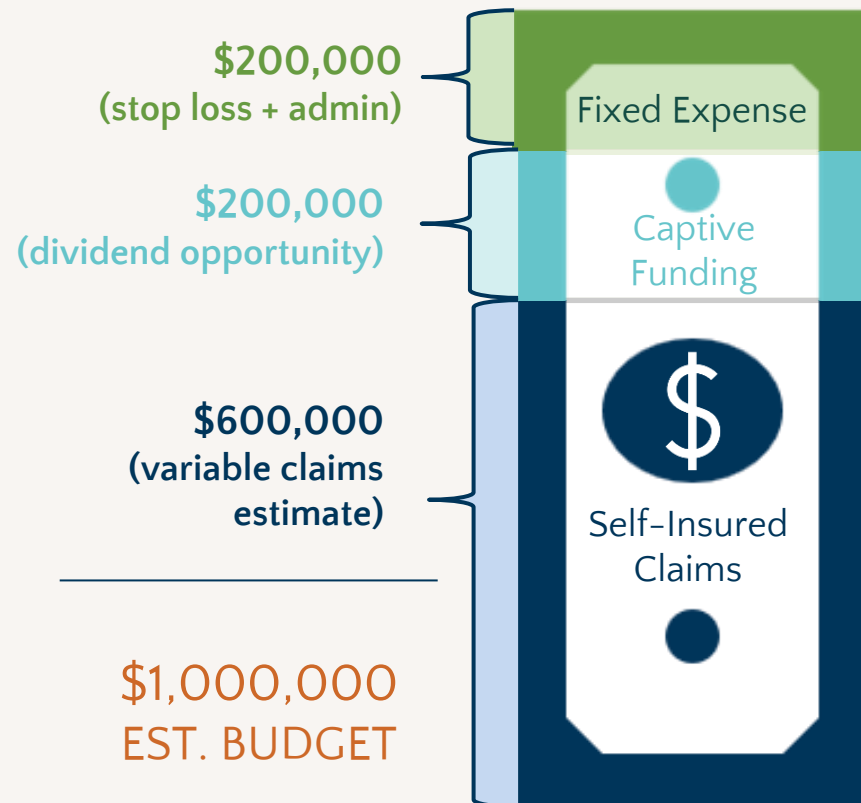


Risk for Reward



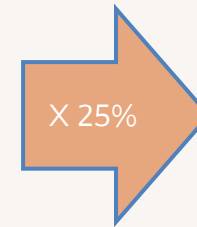
Less than 1% hit maximum!

ESTIMATED BUDGET

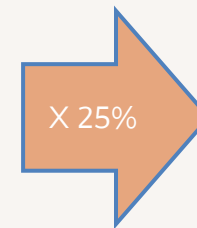


\$1,000,000
EST. BUDGET

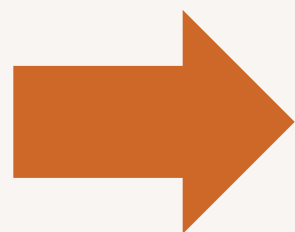
MAXIMUM



\$50,000
Cash Collateral



\$150,000
Claims Maximum



Opportunity



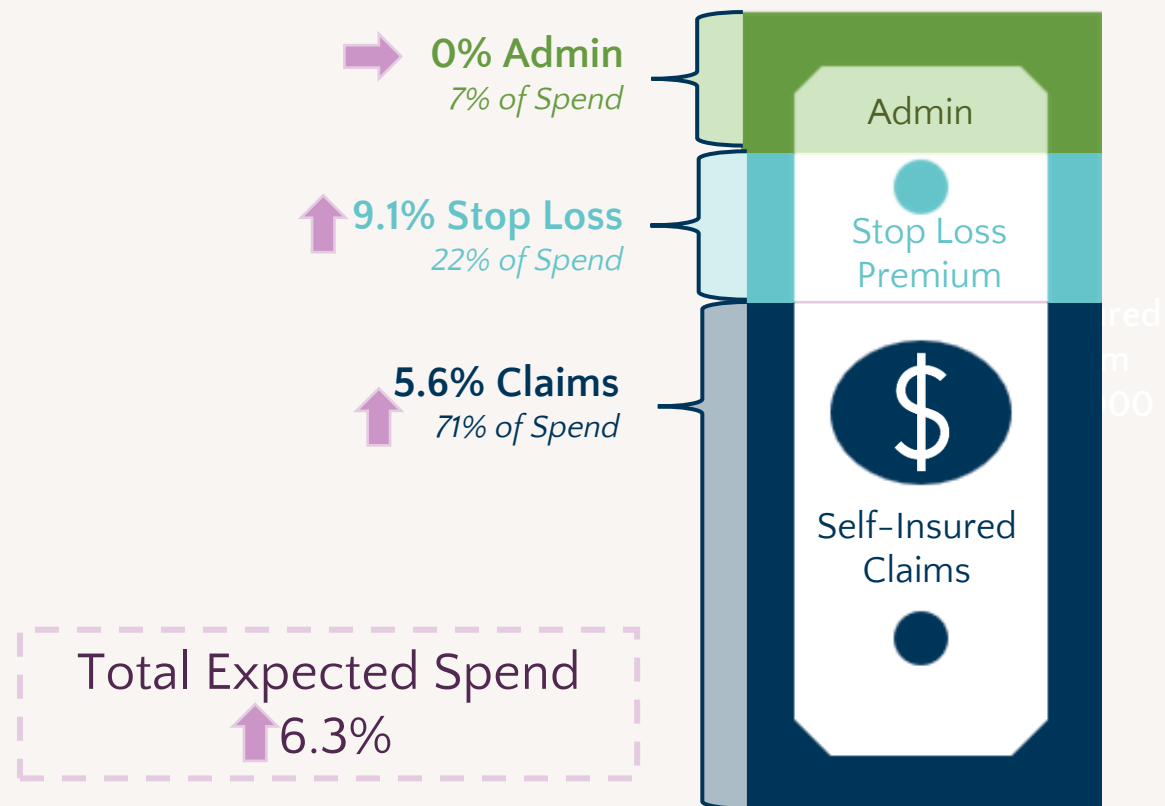
Stability



Control



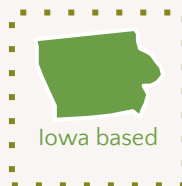
2025 Renewal



Case Study: Renewal Stability



Equipment
Supplier



Iowa based



225
Employees

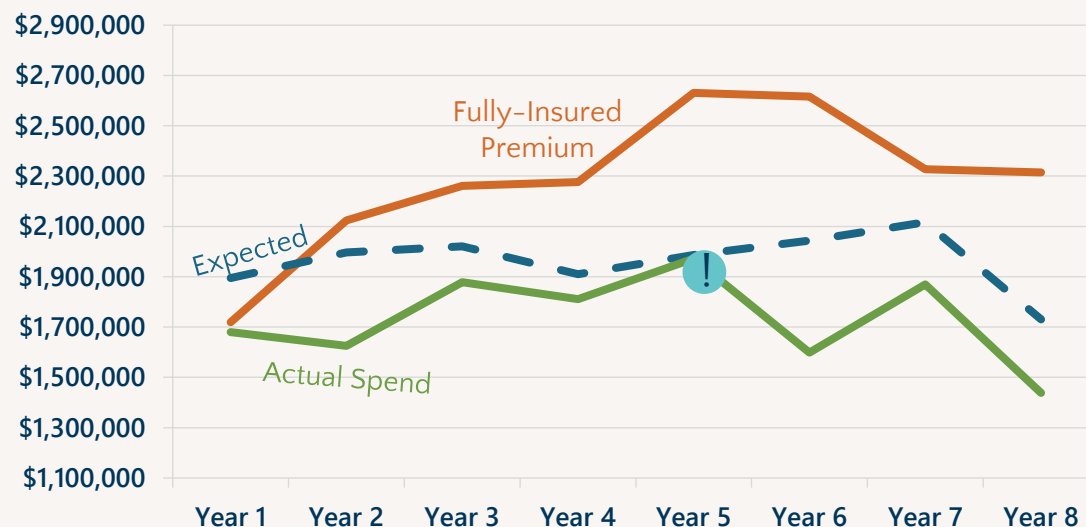


\$85k Self-
Insured
Retention



Previously
Fully-
Insured

Plan Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Savings to Fully Insured Premium	\$38,904	\$499,127	\$382,256	\$465,755	\$658,953	\$1,018,413	\$457,727	\$875,982
Captive Distribution	N/A	N/A	\$6,758	\$25,862	\$31,063	\$30,952	\$75,223	\$21,889



Cumulative
Savings from
Fully Insured:
\$4.3M



But What if I Have a Bad Year?



In Year 5, the company had \$500k in cancer claimants. The fully insured premium spiked, but the group experienced an average year otherwise, benefiting from the **spread of risk in the captive**. This is what captives are for – providing **protection and stability in bad years** for current AND future years.



Opportunity



Stability

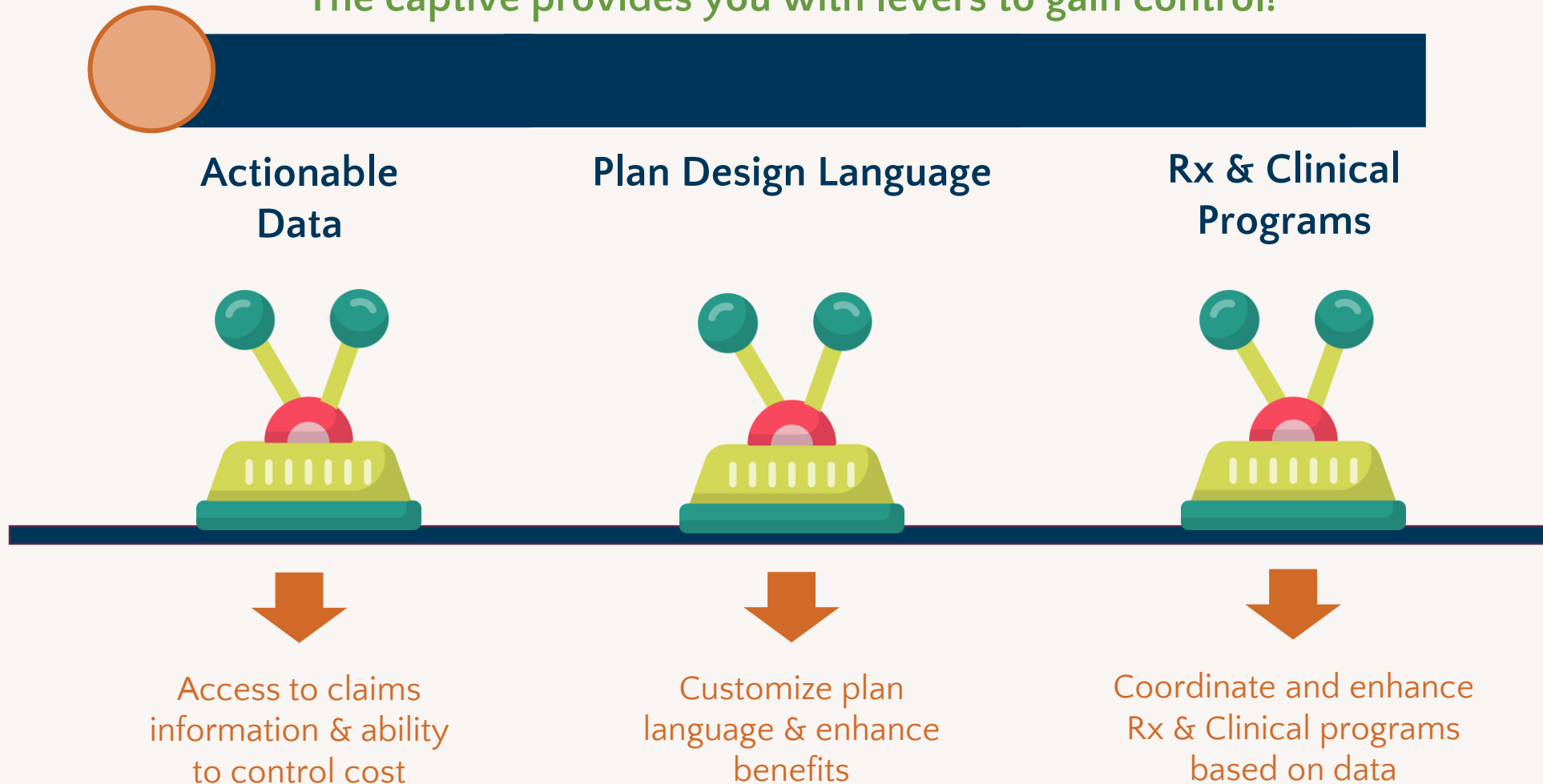


Control



Supporting the Cleaner Pool

The captive provides you with levers to gain control!



Controlling Your Spend

analyt**ICS**

- ☒ Wellness
- ☒ Healthcare Navigation
- ☒ Mental Health
- ☒ Screening/Detection
- ☒ Financial Wellness
- ☒ Family Support

Targeted Claims
Management



Coordinated
Partner Resource



- ☒ Musculoskeletal
- ☒ Diabetes
- ☒ Cancer
- ☒ Chronic Kidney Disease
- ☒ High-Cost Claim Management

TRIP



TARGETED RISK IMPROVEMENT PROGRAM



OWN Health: Performance & Results



Mine Layer: Self-Insured Savings



3-Year Average

 Cleaner Pool!

Loss Ratio to
Expected

Average
Loss Ratio:
86%

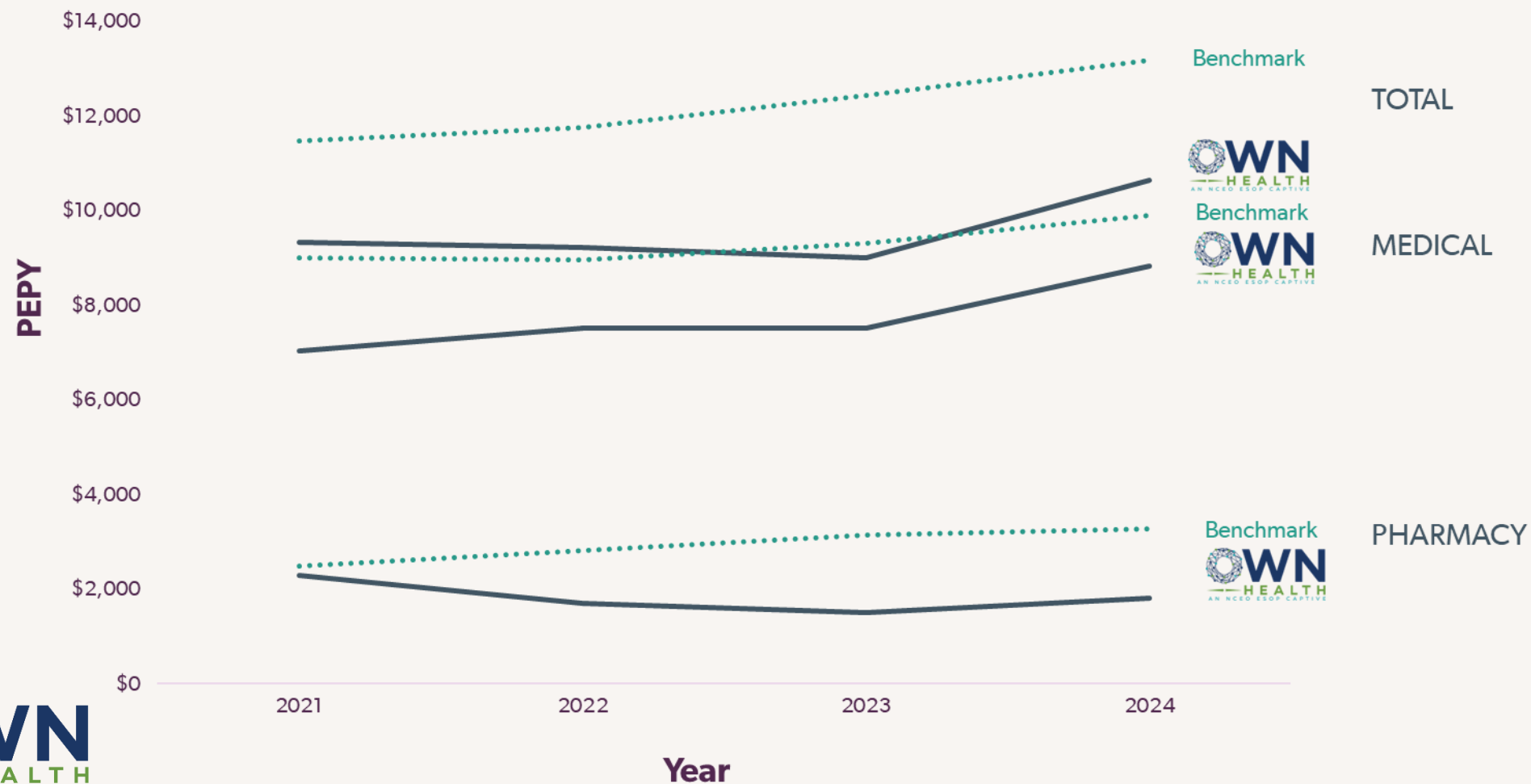
Total Savings
Below Expected

\$3.6M

Average
PEPY Savings

Average:
\$1,555 PEPY

Self-Insured Benchmarking



PEPY cost
compared to
benchmark

-20%
LOWER PEPY

Ours Layer: Captive Savings

2022-23 Profit Summary

Captive Loss Ratio



68%



Average Profit Return



\$110k



Range of Returns



\$0K –
\$190K



2023-24 Profit Summary

Captive Loss Ratio



79%



Average Profit Return



\$60k



Range of Returns



\$0K –
\$178K



OWN Health Cast Study: Attacking Rx

Claims Insights and Access to Data

-  Claims transparency & access to reporting via TPA and **springbuk**



Rx Evaluation



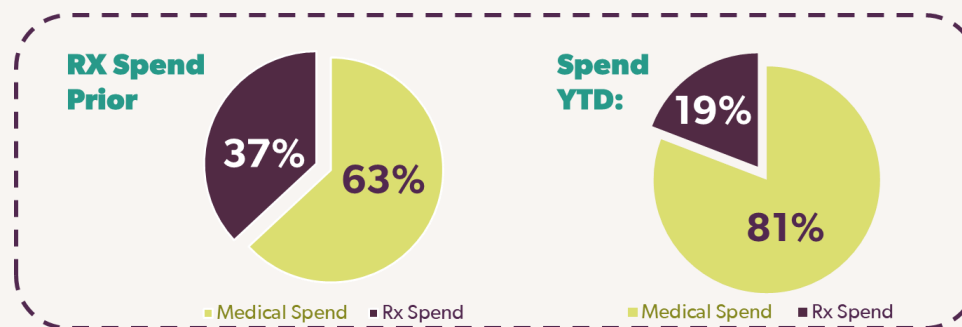
1 Drug – costing \$84k per year
Humira

Cost Savings Result

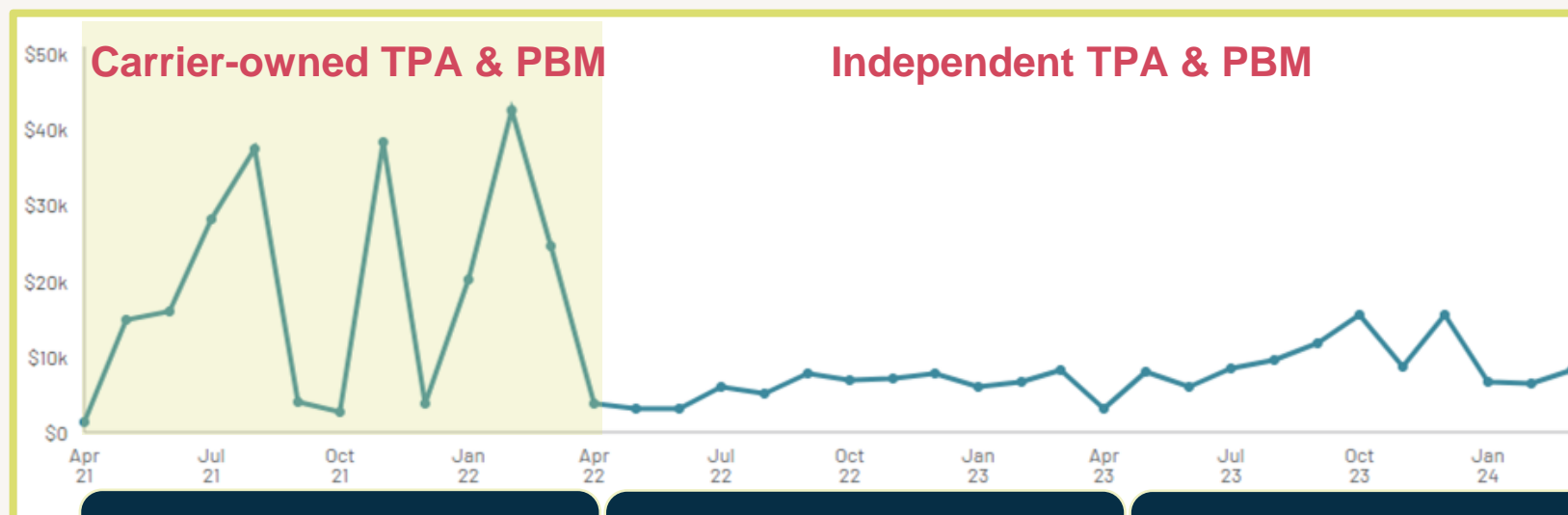
- 1** Transitioned to **Independent** TPA & pharmacy provider (identifies medications with alternative sourcing options)
- 2** **Proactive outreach** by pharmacist to discuss alternatives & enroll in program
- 3** Member's annual cost **reduced** from \$3K to \$0
- 4** Employer's **specialty** drug cost reduced 50-90% (Humira – Savings up to \$67k per year)



OWN Health Case Study: Attacking Rx



Rx Spend Timeline



Avg RX Spend: **\$20k**
per month

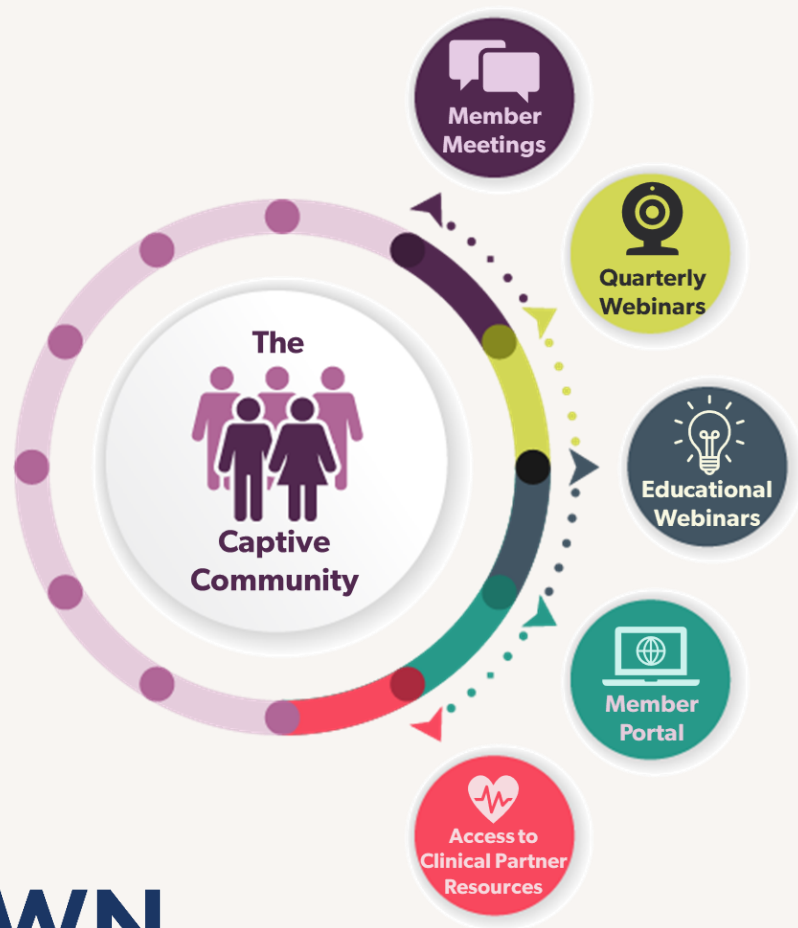
Avg RX Spend: **\$6k**
per month

Avg RX Spend: **\$9k**
per month



The Member Experience

What to Expect with Membership





Next Steps

Your Next Steps

In the near future!



Connect us with your benefits consultant
Captive 101 / 201
Educate all decision makers & get a game plan

3-6 Months Pre-Renewal



Look at the numbers
Understand your long-term strategy

3-6 Months Pre-Renewal



Speak with OWN Health Members
Gain insight into life in an ICS Captive

60-90 Days Pre-Renewal



Decision to Join
WELCOME!

Health Plan Savings, Transparency, and Stability for ESOP Companies



Pim Jager
Captive Practice Leader



Abby Zipoy
Captive Executive

