

# INTRODUCING THE EMPLOYEE BENEFITS CAPTIVE SOLUTION FOR SCHOOLS



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## THE CURRENT LANDSCAPE

Bec Kurzynske,  
Director of Education &  
Government Practice –  
Employee Benefits



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Jason Nordby,  
Director of Employee Benefits  
Captive Practice

M3 Insurance



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## AGENDA

- What is Happening in the Market & Why are Captives Emerging as a Potential Solution?
- What is a Captive?
- Captive Results
- Questions and Discussion

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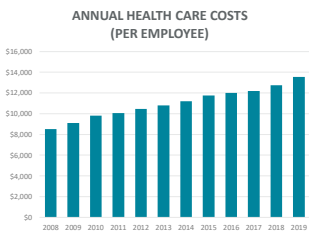
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## TODAY'S MARKET



- WHAT CAN YOU DO?
- 1 SHIFT COST TO EMPLOYEES
  - 2 ABSORB COST
  - 3 REDUCE BENEFITS

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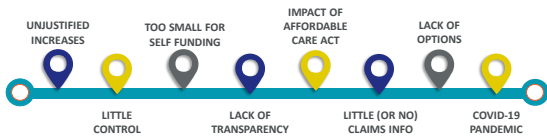
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## WHY ARE WE HERE?




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## WHERE WE'RE HEADED




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## YOUR OPTIONS

	FULLY INSURED	SELF-FUNDING	CAPTIVE
Available for Smaller Employers	✔	-	✔
Plan Design Flexibility	-	✔	✔
Claims Information	-	✔	✔
Reward for Performance	-	✔	✔
Manageable Risk Level	-	-	✔
Pricing Stability	-	-	✔
Group Purchasing Power	-	-	✔
Outcome Based Wellness	-	-	✔
Peer Group Support & Sharing	-	-	✔

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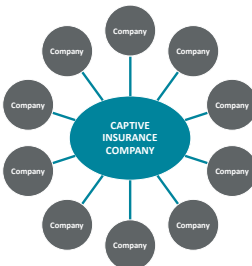
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## WHAT IS A HEALTH CAPTIVE?



A group of companies that come together to form their own insurance company.

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## HEALTH CAPTIVES

### A Twist on the Traditional Health Plan

Consider a Health Captive if you:

- ✓ Have at least 100 employees
- ✓ Are committed to wellness and cost containment
- ✓ Understand “risk for reward”
- ✓ Desire more control and stability
- ✓ Have an innovation-focused benefits philosophy

WHY share risk with other like-minded schools?

<b>TRANSPARENCY</b> "Measure it so you can manage it"	<b>STABILITY</b> "Take turns having bad years"	<b>ACCOUNTABILITY</b> "Everyone has skin in the game"	<b>RESULTS</b> "We all swim in a cleaner pool"
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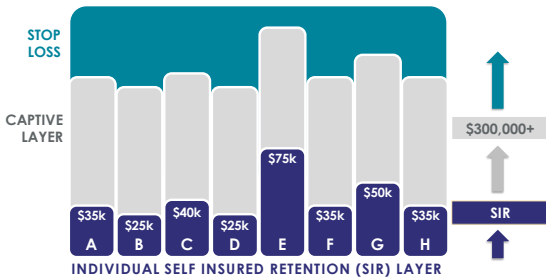
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## CAPTIVE STRUCTURE



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## INFLUENCING RISK

	WHAT IS IT?	WHY DO IT?
<b>1</b> COST CONTAINMENT	<ul style="list-style-type: none"> <li>✓ Pricing Transparency</li> <li>✓ Health Concierge</li> <li>✓ Rx Comparisons</li> <li>✓ Employee Tools</li> </ul>	Drive Down Cost/ Create Employee "Skin in the Game"
<b>2</b> RISK IDENTIFICATION	<ul style="list-style-type: none"> <li>✓ Biometric Screenings</li> <li>✓ Physician Form</li> <li>✓ Data Analytics</li> </ul>	Identifying Those Who Are At-Risk
<b>3</b> RISK REDUCTION	<ul style="list-style-type: none"> <li>✓ Those At-Risk Must Improve Health Factor(s) to Qualify for Incentive</li> </ul>	Targeting & Improving Those Who Are At-Risk



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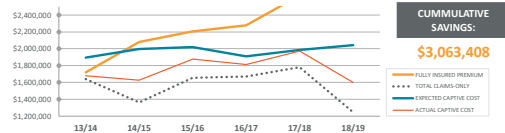
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## MEMBER CASE STUDY

### Fully Insured vs. Captive

Organization with 200 enrolled employees

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
FULLY INSURED PREMIUM	\$1,719,256	\$2,080,240	\$2,205,086	\$2,276,649	\$2,630,812	\$2,616,622
TOTAL CLAIMS-ONLY	\$1,639,662	\$1,362,987	\$1,653,232	\$1,669,716	\$1,779,958	\$1,243,062
EXPECTED CAPTIVE COST	\$1,894,348	\$1,996,077	\$2,021,104	\$1,910,651	\$1,986,702	\$2,044,266
ACTUAL CAPTIVE COSTS	\$1,680,351	\$1,624,832	\$1,878,304	\$1,810,894	\$1,971,858	\$1,598,044
ACTUAL SAVINGS TO FULLY INSURED	\$38,904	\$455,407	\$326,782	\$465,755	\$658,953	\$1,018,413



Source: Innovative Captive Strategies  
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## OUR CAPTIVE EXPERIENCE

We collaborate with captive partners who:

- ✔ Work with smaller groups
- ✔ Are open to homogenous, industry-based captives – including in the senior living and education spaces
- ✔ Partner with providers
- ✔ Offer specialty Rx programs
- ✔ Have created options for groups coming out of the fully insured market to have expected cost be their max

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## AT THE END OF THE DAY...

DECISIONS  
BASED ON DATA

ABILITY TO  
ADDRESS COST  
DRIVERS

BUDGET  
STABILITY

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## QUESTIONS & DISCUSSION



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