



Stop loss captives

The regulatory landscape is changing, and health care and insurance costs continue to escalate. Because of this, employer interest in self-funding employee health care coverage is rapidly expanding. QBE is a leader in delivering responsive solutions within this challenging health care insurance market.

One new solution for increasing the effectiveness of self-funded program is writing medical stop loss coverage in a captive. A captive allows its owner, the insured, to reduce fixed insurance expenses, and capture underwriting profits and investment returns that would otherwise revert to an insurance company, thus reducing the ultimate cost of risk.

Desired opportunities

Each captive is unique and represents a distinct opportunity. QBE's expert team will evaluate each risk individually, however our preferred structures are:

Single-parent captives – Single-parent (pure) captives are owned and operated by a single entity to insure its own risks. The advancement of the Patient Protection and Affordable Care Act has incentivized many larger employers that already

have an established captive to expand the use of their captive to include medical stop loss coverage. This enhanced utility not only increases the efficiency of an existing captive, it can contribute significantly to reduce the cost of a self-funded health care program.

Group captives (homogeneous) – A group captive is an insurance company owned by its insured members. The members leverage their collective size to attain greater underwriting credibility and increase their ability to assume and spread risk. Group stop loss captives can increase the advantages of self-funding for mid-sized employers by:

- Reducing insurance costs
- Reducing pricing volatility
- Providing greater control in managing risk
- Sharing underwriting and investment return

QBE provides coverage to groups of like-minded employers within industry-specific (homogeneous) classifications. Employers committed to promoting increased health and wellness for their employees and attaining long-term stability of health care insurance costs are candidates for a group captive program.

Product offerings

Our structure includes the following:

- QBE provides a comprehensive range of specific and aggregate medical stop loss coverage options to each self-insured employer.
- Captive structure is available as fronted insurance and/or reinsurance.
- Captive reinsurance participation on either an excess of loss or quota-share basis
- Able to work with most appropriately qualified captive managers.
- QBE Insurance Company is rated "A+" by Standard & Poor's and "A" (Excellent) by A.M. Best.*

Below is a sampling of QBE's comprehensive services:

- Captive risk assessment
- Full underwriting capability
- QBE Reinsurance cover
- Assist in the selection of qualified captive managers related service providers

Additionally, our program management services include:

- Underwriting support
- Policy issuance
- Monthly bordereaux
- Medical risk management
- Reserve management
- Claims adjudication/explanation of reimbursement
- Block analysis

Preferred business profile

QBE specializes in underwriting single-parent and industry-specific (homogenous) group captives.

Our preferred, but not exclusive, industry classifications include:

- Healthcare
- Hospitals
- Higher education
- Energy

QBE has an expert team, complemented by a fully integrated program management system, which allows us to work efficiently to deliver our services at an elite business level. Our Claims administration, Accounting and Risk Management Departments are all carefully woven into our captive underwriting process to ensure you experience superior results.

For additional information, contact:

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Premiums4Good is QBE's global initiative to help communities develop and thrive.

5%

We're investing 5% of premiums in investments with social objectives



Premiums4Good has no impact on policyholder premiums

Investments may include:



Reducing homelessness



Supporting youth mental health services



Keeping struggling families together



Enhancing opportunities for children entering the foster care system

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