



# Stop loss captives

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

One new solution for increasing the effectiveness of a 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 healthcare 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
- Lowering 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 healthcare insurance costs are candidates for a group captive program.

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#### Stop loss captives

- QBE provides a comprehensive range of specific and aggregate medical stop loss coverage options to each self-insured employer.
- Our captive structure is available as fronted insurance and/or reinsurance.
- Companies can participate in captive reinsurance on either an excess of loss or quota-share basis.

#### Comprehensive services

- Captive risk assessment
- Full underwriting capability
- QBE Reinsurance cover
- An open medical stop loss captive program as well as “Rent-a-Captive”

#### Program management services

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

#### Underwriting appetite

QBE specializes in underwriting single-parent and industry-specific (homogeneous) group captives. Our preferred, but not exclusive, industry classifications include:

- Healthcare
- Hospitals
- Higher education
- Energy



QBE Insurance Company is rated “A+” by Standard & Poor’s and “A” (Excellent) by A.M. Best.\*

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



We invest a portion of all customer premiums into investments that have additional social or environmental benefits



Premiums4Good has no impact on policyholder premiums

#### Investments may include:



Reducing homelessness



Keeping struggling families together



Supporting youth mental health services



Enhancing opportunities for children entering the foster care system

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