



**Validation**Institute

# 2024 Validation Report

**Review for: Roundstone Insurance**

**Validation Achieved: Savings**

**Valid through: April 2025**



# Company Profile



## ROUNDSTONE

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<b>Category:</b>	<b>Employee Benefits Solutions</b>
<b>Website:</b>	<a href="https://roundstoneinsurance.com/">https://roundstoneinsurance.com/</a>
<b>Public or Private:</b>	Private
<b>Year Established:</b>	2003
<b>CEO:</b>	Michael Schroeder
<b>Company contact:</b>	info@roundstoneinsurance.com

### Description provided by the company:

**Roundstone** is an innovative employee health benefits company. We help small and midsize organizations offer competitive benefits at a lower cost by self-funding their health insurance through our group medical captive.

The **Roundstone** Captive enables companies to self-insure safely by pooling hundreds of employers together to share risk and save money. This innovative funding model offers control, flexibility, transparency, and returns all savings back to employers where they belong.

But we believe that the **Roundstone** Captive is more than the way you pay for your healthcare costs. Employers can embrace it to reimagine how they manage and support employee healthcare, fostering better financial and health outcomes.





# Company Profile

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Unlike other captives on the market, **Roundstone** offers a turn-key and holistic approach that includes in-house underwriting, white-glove support, and educational resources to help employers create a long-term solution for sustainable healthcare costs and great benefits for happier, healthier employees.

In fact, we guarantee that you will save money in the first five years, or we'll make up the difference.

We are always aligned with the employers' best interests and are committed to our mission - quality, affordable healthcare and a better life for all.

**Roundstone** is headquartered in Lakewood, Ohio. We sell our solution through benefits advisors throughout all 50 states.





# Claim Assertion for Validation

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Employers who join Roundstone Insurance's health captive insurance program have lower per member per year costs than they would have paid for a fully insured plan.





# Method / Calculation / Examples

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An employer with 60 people (employees plus family members) joined the Roundstone Captive Program in 2020. In that year, the employer had a quote for insuring its plan members with a national insurer. Thus, in year one, the cost of a fully insured plan could be compared to the Roundstone Captive Program’s costs.

To estimate the cost of fully insured plans for 2021 and later, the analysis took each year’s national average single and family health premiums from the Kaiser Foundation’s Employer Health Benefits Survey. Table 1 summarizes the survey data. Each year’s percentage increases for single coverage were applied to the 2020 fully insured rate.

	\$		% increase	
	Single	Family	Single	Family
2020	\$7,470	\$21,342		
2021	\$7,739	\$22,221	3.6%	4.1%
2022	\$7,911	\$22,463	2.2%	1.1%
2023	\$8,435	\$23,968	6.6%	6.7%

Table 1: Kaiser Family Foundation National Survey Data





# Method / Calculation / Examples

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Roundstone Program's costs include the following

- The medical and pharmacy claims;
- Specific (single, catastrophic claim) and aggregate (group-wide medical and pharmacy costs are greater than expected) insurance;
- Administrative services; and,
- Contribution to the captive (collateral).

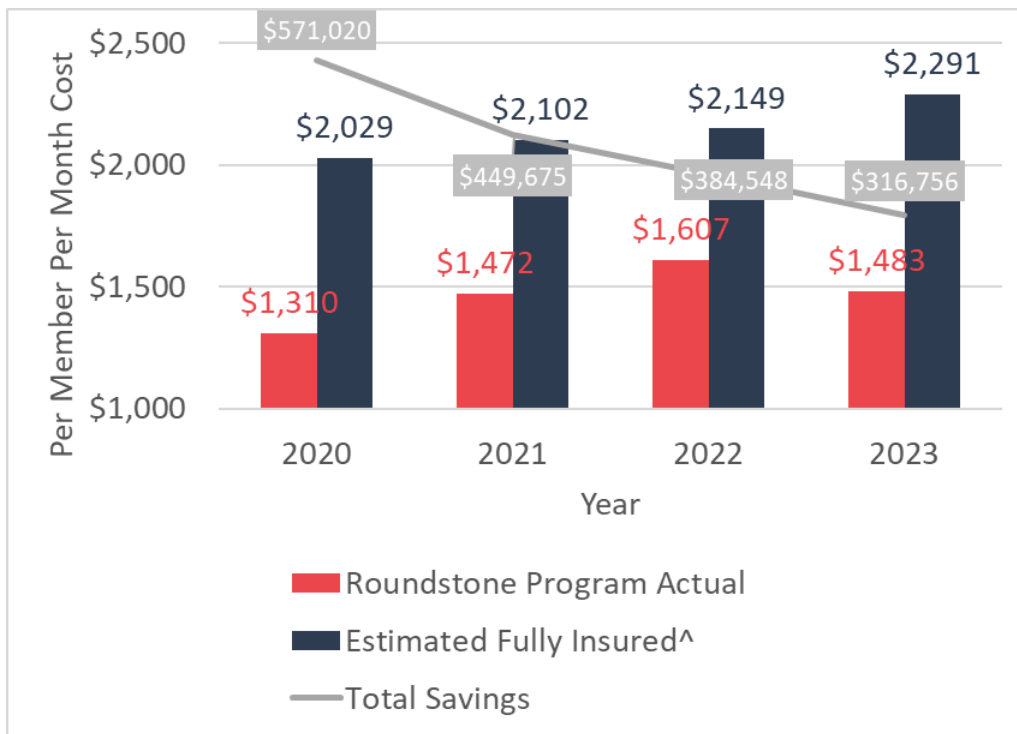
For this analysis, only the employer's actual costs under the Roundstone Program are shown.





# Findings & Validation

The graph below summarizes the Per Member Per Month costs for the employer’s actual outlay for Roundstone, compared to an estimate of a fully insured plan’s cost. The annual difference between the actual and estimated cost is also shown. (Note: 2023 includes only seven months.)



Graph 1: Per Member Per Month Cost Comparison: Roundstone Program Actual Costs and Estimated Fully Insured Cost





# Limitations

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Estimates of what an employer would have paid for a similar health insurance program are reasonable but cannot be verified.







# Validation and Credibility Guarantee

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**Roundstone Insurance's health captive insurance program** achieved validation for **Savings**. Validation Institute is willing to provide up to a \$100,000 guarantee as part of their Credibility Guarantee Program. To learn more, visit <https://validationinstitute.com/credibility-guarantee/>.

## Savings

Can reduce health care spending per case/participant or for the plan/purchaser overall.

## Outcomes

Product/solution has measurably improved an outcome (risk, hba1c, events, employee retention, etc.) of importance.

## Metrics

Credible sources and valid assumptions create a reasonable estimate of a program's impact.

## Contractual Integrity

Vendor is willing to put a part of their fees "at risk" as a guarantee.





# CERTIFICATE OF VALIDATION

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<b>Applicant:</b>	<b>Roundstone Insurance</b> 15422 Detroit Avenue, Lakewood, OH 44107
<b>Product:</b>	Roundstone Insurance's health captive insurance program
<b>Claim:</b>	Employers who join Roundstone Insurance's health captive insurance program have lower per member per year costs than they would have paid for a fully insured plan.
<b>Validation Achieved:</b>	<b>Validated for Savings</b>
<b>Award Date:</b>	March 2024

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**Linda K. Riddell, MS**  
**Chief Data Scientist**  
**Validation Institute**

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**Vidar Jorgensen**  
**Chief Executive Officer**  
**Validation Institute**



# About Validation Institute

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**Validation Institute** is a professional community that advocates for organizations and approaches that deliver better health value - stronger health outcomes at lower cost. We connect, train, and certify health care purchasers, and we validate and connect providers delivering superior results. Founded in 2014, the mission of the organization has consistently been to help provide transparency to buyers of health care.

## Validation Review Process

Validation Institute has a team of epidemiologists and statisticians who review each program. The team focuses on three components:

- Evidence from published literature that a similar intervention had similar results.
- The reliability and credibility of the data sources.
- The rigor of the approach to calculating results.

To achieve validation, the program has to satisfy each of these components. VI's team then summarizes the review into a report which is publicly available. Details of VI's review are available with the program's permission.