Controlling Costs with Roundstone's Captive

A **group captive** is a health insurance pool formed by companies joining together to reduce the cost of their medical benefits.

Why do it?

(1) 9 out of 10 of employers with more than 1,000 employees self-fund.

(2) Middle market employers (20-1,000) value the cost savings of self funding, but struggle with the volatility at meaningful retentions (greater than $100K).

(3) A Medical Captive offers a unique solution to cost volatility through less spending and cost saving distributions of unused claim funds.

How it Works

Risk Taking: Each employer will self-insure at least $10K of claims per member, per policy period.

Risk Sharing: For claims between $10K and $500K, employers pool stop loss premiums and claims.

Risk Shifting: For claims above $500K and 125% of expected, reinsurance is purchased.

The Benefits Gained

Transparency: Regular medical and claims data reporting and up-front fixed and variable cost information.

Control: Control your employee benefit plan with choice of network, claims service, plan language and cost containment solutions.

Cost Savings: Realize and retain the benefit from controlling costs through variable cost funding strategy.

Turnkey: A complete benefit solution available with all necessary detail included in one proposal.

THE DIFFERENCE

Roundstone's Captive

Approximately 15% fixed cost ● Employer retains some risk, shares some risk, and transfers catastrophic risk ● Services are best in class, flexible ● Transparent control ● Employer retains profits on 80-85% of claim spend

Self-Funded

Approximately 40% fixed cost ● Employer assumes 100% of their own risk ● Services can be split apart ● Some control ● Employer assumes 100% of claims volatility

Fully Insured

100% fixed cost ● All services and options are controlled by insurance company ● No control ● Insurance company keeps all profits ● No transparency

For more information, visit
RoundstoneInsurance.com

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