



• LIVE WEBINAR

Friends Don't Let Friends Level-Fund



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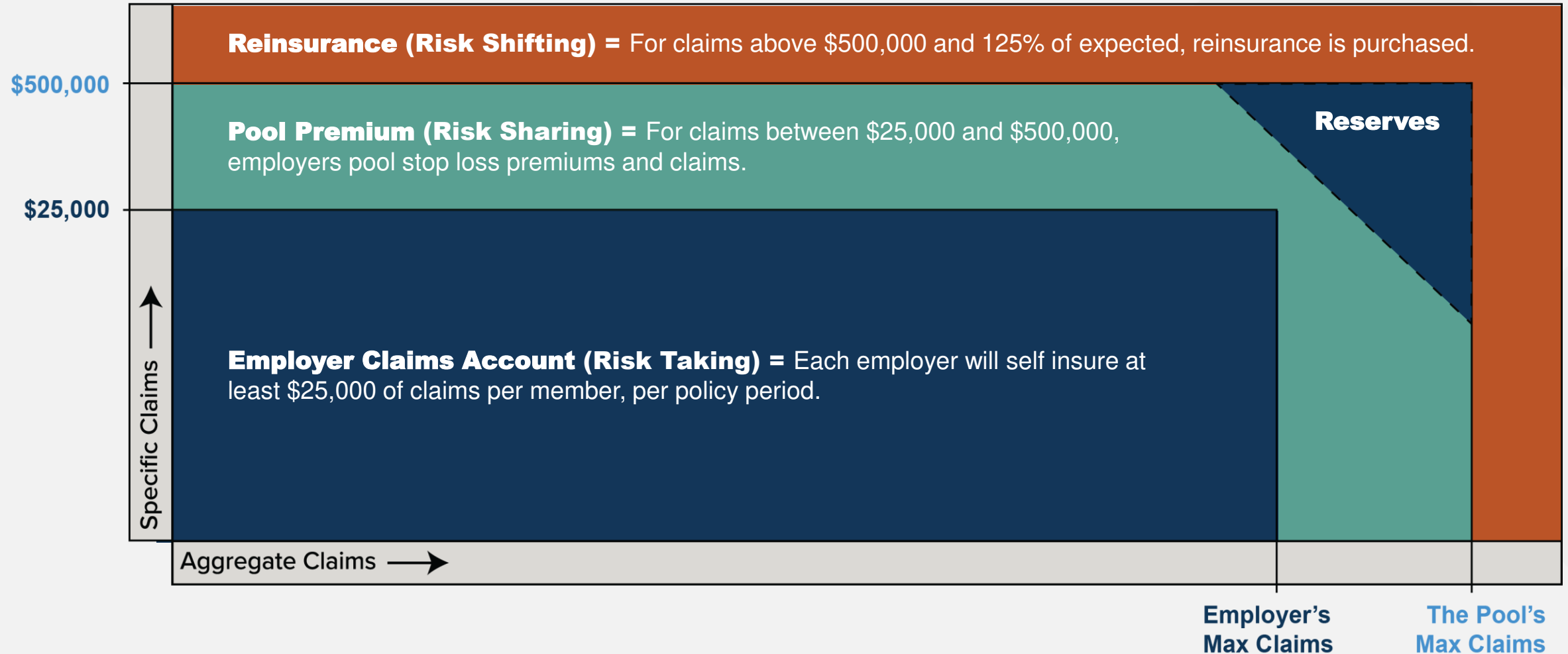
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Employee Benefits Strategist,
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Understanding Funding Models

Fully-Insured	Level-Funding	Self-Funding
<p>100% Fixed Costs</p> <p>The insurance carrier keeps all the profits with zero reporting back to employers</p> <p>Traditional model</p>	<p>~60% Fixed Costs</p> <p>The employer assumes claims volatility and the insurance company keeps some of the profits.</p> <p>In other words...dipping your toe in</p>	<p>~40% Fixed Costs</p> <p>The employer pays medical claims and buys stop loss insurance to protect against high-cost claims.</p> <p>In other words... you're on an island</p>

Understanding Funding Models

Self-Funding in a Captive



The background is a solid dark blue. It features several abstract circular elements: a large, thick dark blue ring on the left side; a smaller dark blue ring in the upper right corner; a light blue circle partially visible in the top right corner; a solid teal circle in the bottom left corner; and a solid dark blue circle in the bottom right corner.

**What do you find the benefits
of level-funding to be?**

The Pitfalls of Level-Funding



Inability to Benefit from Pharmacy Rebates



Renewal Increases



Lack of Plan Design Flexibility



Unneeded Runout



High Fixed Costs



No Risk Protection



You Must Fund-to-Max



Hidden Cost of Unchecked Claims



Stop-Loss Claims Surplus



Lack of Claims Transparency

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**Which of these
disadvantages is the most
familiar in your case?**

The Strengths of Self-Funded Group Captives and Preferred Bundles

- ✓ Full claims fund transparency
- ✓ Return of unused claims dollars
- ✓ Data-driven decisions
- ✓ Pooled risk sharing
- ✓ Pharmacy benefit flexibility
- ✓ Custom plan design

Ease of Funding and Budgeting

1

**Pay as
You Go**

2

**Max
Funding**

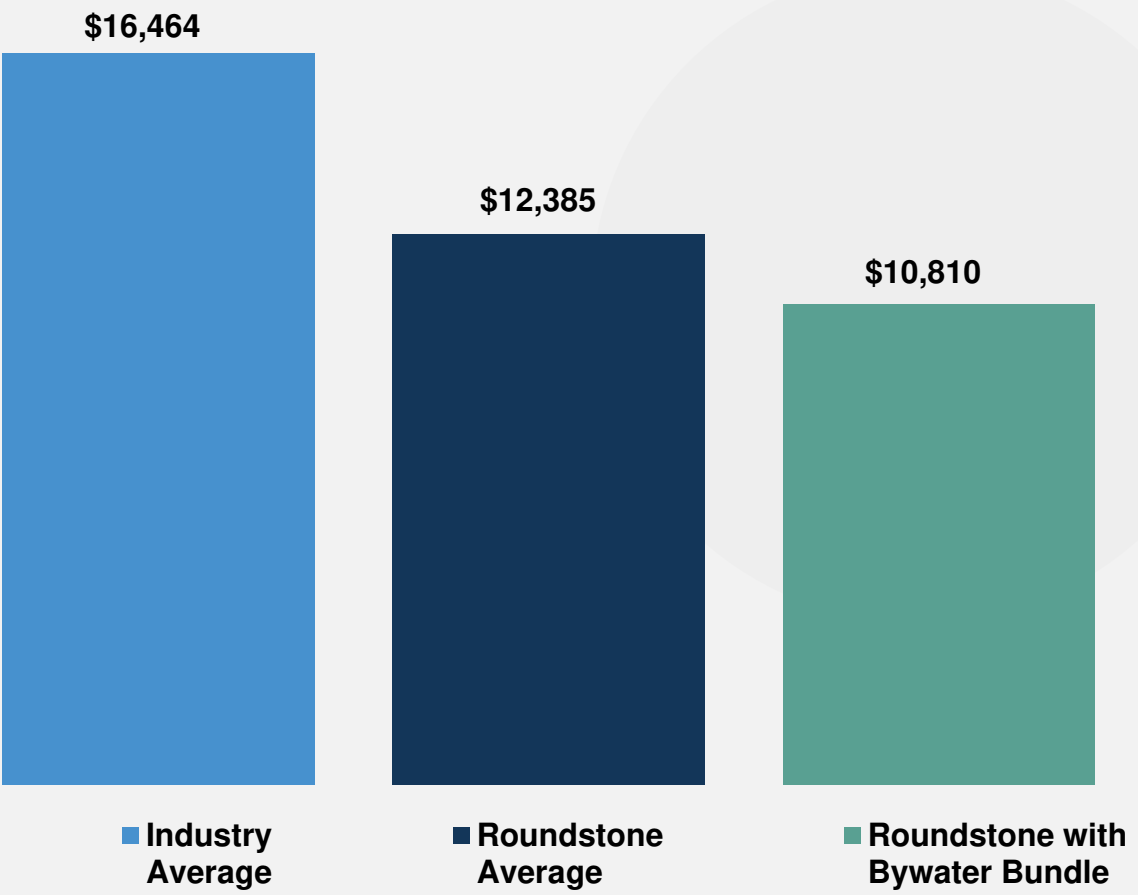
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**Midpoint
Funding**

Dave's PEPY



Employer Health Plan Spend:
Per Employee Per Year (PEPY)



Source: 2024 Roundstone Internal Data Report, "PEPY Performance Analysis", last updated 11/22/2024. Analysis is based on 2023 data.

Dave's PEPY

Group & Year	Avg. Net PEPY	Avg. Competition PEPY	Avg. Savings PEPY	Total Savings
Conveyer & Caster Corporation	\$15,010	\$17,162	\$2,239	\$72,566
2023	\$15,010	\$17,162	\$2,239	\$72,566
GEW, Inc.	\$16,509	\$27,446	\$11,367	\$174,293
2023	\$16,509	\$27,446	\$11,367	\$174,293
Humalytix	\$13,245	\$14,737	\$1,922	\$176,044
2023	\$13,245	\$14,737	\$1,922	\$176,044
RBB Systems, Inc.	\$13,253	\$16,759	\$3,936	\$219,443
2022	\$12,729	\$15,935	\$3,635	\$97,855
2023	\$13,742	\$17,528	\$4,217	\$121,588
Dave Bruedigam Book w/ Roundstone	\$13,797	\$16,717	\$3,293	\$642,346

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**Do you know
your PEPY?**



Q&A

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