ROUNDSTONE

LIVE WEBINAR

Lasers Explained:
How They Control Costs

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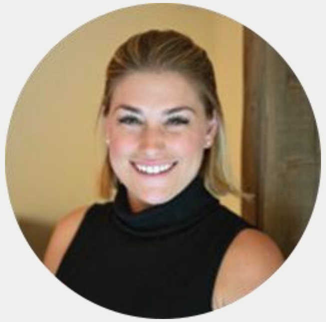

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Lasers, the Roundstone Way

- A laser identifies a high-cost claimant and helps regulate that cost, so employers don't overpay for uncertainty
- Lasers will not bankrupt employers; in fact, they allow employers to recoup that cost if the high-cost claimant ever leaves the plan or improves.

Purpose: Protect the group from inflated premiums

Lasers are

- Not punitive
- Not hidden
- Not permanent
- Always capped and paired with cost containment solutions when available

Only **17%** of Roundstone clients have a laser today

Less than **0.33%** of all members ever receive one

Myth Busting the “No New Laser” Approach

No-Laser Captive

- Known high-cost claims are baked into premiums
- Often drives ~30% fixed premium increases
- Employers pay every year — regardless of if there is a claim or not
- If the claim never happens, the carrier keeps the margin

Roundstone Laser Model

- Known risk isolated, not socialized
- Average laser exposure: ~$125K above spec
- Roughly a **16% impact**, not 30%
- If the claim doesn’t happen, the employer keeps the savings
- If we didn’t laser, we’d make more money. We do it to lower employer costs.

Side-by-side, lasers beat fixed costs

25% Of lasers are paid in full

75% Resolve below expectations or disappear

Fixed vs. Variable Costs

Predictability Comes From Control

- Fixed premiums feel safe — but they lock in waste
- Lasers introduce *variable exposure*, not guaranteed cost
- If the claim doesn't happen → you didn't overpay
- Traditional carriers don't give money back when risk disappears — Roundstone does

Better Outcomes

- ✓ $3,000–$5,000 PEPY savings
- ✓ Lower Collateral
- ✓ Lower Premiums
- ✓ More consistent captive distributions

Lasers Come With Choices

Recommended Full Laser

- Lower premium increase
- Best when predictability is strong

Laser Cap Option

- Laser capped at 3× specific deductible
- 30% premium increase cap for new lasers at renewal

Other carriers often push employers to stick with no-new-laser policies, presenting them as the ‘right’ choice— even though it benefits the carrier more than the employer.

The Advisor Perspective

Key Takeaways

- No-new-laser approaches aren't free.
- Lasers move costs from fixed to variable.
- Most lasers never reach their full exposure.
- Employers should have options, not mandates.
- The goal isn't avoiding lasers—it's paying only for the risk that actually exists.

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