ROUNDSTONE

LIVE WEBINAR

Beyond the Rates: Comparing Captive Proposals



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The Devil Is in the Details

What You See:

Premium
Stop Loss Coverage
Marketing Claims



What You *Don't* See:

Expense Loads
Collateral Structures
Reinsurance Retention
PBM Economics
Distribution Mechanics

What Creates the Rate:
The Four Pillars of Captives

1

Financial Structure

How is the Captive built?

- Expense load
- Collateral
- Distributions

2

Underwriting

How are risk decisions made?

- Who makes decisions
- Flexibility
- Consistency
- Lasers

3

Operating Model

How are healthcare dollars managed?

4

Long-Term Economics

How has the captive performed over time?

Underwriting:
The Questions Most Advisors Never Ask

Underwriting Influences:

- **Who gets into the captive**
- **How risk is balanced**
- **Collateral**
- **Long-term stability**
  - Claim fund health
  - Distribution potential
  - Lasers

All of this impacts total cost

In-house underwriting (MGU) v. Outsourced underwriting

- **Control**
- **Consistency**
- **Collaboration**
- **Institutional Knowledge**
- **Increased Accountability**

Underwriting Doesn’t End After Implementation

Every underwriting decision affects the next renewal.

- Renewal stability
- Distributions
- Collateral
- Predictability
- Cost Containment

Strong Underwriting, Better Cost Containment

It’s a continuous cycle.

Cost containment creates better claims



Better claims improve underwriting



Better underwriting improves renewals

Looking Beyond the Rates

Metric	Why It Matters
Maximum Cost	Worst-case financial exposure
Expense Load	Operational efficiency
Collateral	Capital commitment
Distribution History	Financial discipline
Renewal History	Predictability
PEPY	Overall healthcare efficiency
Return Fund	Employer value creation

Our efficient structure means greater returns for you

Collateral

7%

Of premium vs. 10-15% for other captives

Return Fund

70%

Of premium goes into the captive's shared risk pool

Distributions

100%

Of unspent captive dollars returned to employers, averaging 7% each year historically



Renewal Increases at 1/3 the industry average

Thanks to in-house underwriting and proactive cost management strategies

The Real Impact:
Five-Year Performance Comparison

Metric	Roundstone	Competitor
Collateral	$17,000	$55,000
Average Renewal	$5.5%	$14.5%
Distributions	$122,350	$0
Total Gross Premium	$1,404,961	$1,744,023

$500,000

Financial advantage with Roundstone

Proposal Comparison Checklist

Important Questions to Ask:

- Who owns unused claims funds?
- How are the distributions calculated and returned?
- How much collateral is required?
- What is the history of renewals?
- What opportunities are there for cost containment?

Key Questions to Ask

Captive proposals should never be evaluated on price alone.



Financial Structure

How efficiently are employer dollars allocated?



Underwriting Philosophy

How are risk and renewals managed over time?



Operating Economics

Does the model maximize dollars flowing to claims and surplus rather than administrative overhead?



Long-Term Performance

Does the captive have a demonstrated history of stable renewals, meaningful distributions, and lower total healthcare costs?

MCF 2027
Medical Captive Forum
By ROUNDSTONE

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May 11 & 12, 2027

VENUE

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Why Attend?

- Explore three unique learning tracks designed for your level of understanding
- Hear real-life stories of successful cost containment and plan design
- Network with industry leaders and vendors

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