

Key Facts at a Glance

2016 Medical Stop-Loss Coverage

Interest in stop-loss coverage has grown since the Affordable Care Act eliminated annual and lifetime dollar limits on essential health benefits — and as the number and value of high-amount claims has risen. This infographic presents 2016 data drawn from more than 200 Sibson Consulting health plan clients that have stop-loss coverage.

All policies cover individual claimants.

A few policies also cover aggregate claims. Aggregate-only policies are uncommon. No Sibson clients have them.



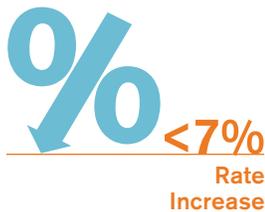
Larger deductibles are becoming more common.

Smaller deductibles are most prevalent, but nearly 20% of clients purchased policies with deductibles of \$500,000 or more. That is up from just 6% in 2013, the last year that plans were permitted to place limits on health care coverage for participants.



It's not as expensive as you think.

The average rate increase shown is the lowest level in nearly a decade.



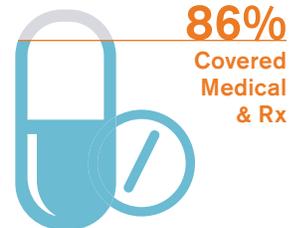
Don't roll the dice!

Most stop-loss insurance policyholders have at least one high-amount claim reimbursed by their stop-loss insurance insurer in any given year.



A prescription for lower-cost coverage: Limit the scope of the policy to Rx.

A large majority of medical stop-loss policies include coverage for prescription drug claims. Also, Sibson has developed stop-loss policies that only cover prescription drug claims for plan sponsors that want to address the volatility of outpatient prescription drug claim cost increases.



Baby, high-cost claims can be shockingly expensive.

A high-amount claim related to complications associated with the birth of twins was covered, enabling the self-funded medical plan to avoid a significant short-term, cash-flow problem.



It's now possible to get "cash back."

Sibson has negotiated shared-savings policies. These policies pay experience-rated dividends for plans with group claims experience below the required premiums. About 25% of Sibson clients with these policies receive dividends each year.

Premium - Experience = Dividends



To find out how your plan's stop-loss coverage compares to the plans in Sibson's proprietary database, contact your Sibson consultant, the nearest Sibson office or Michael S. Tesoriero and Christopher Calvert for an analysis.