

WHY JOIN A STOP LOSS CAPTIVE?

CONNER
STRONG &
BUCKELEW

An employee benefits group captive allows like-minded employers to join a self-funded employee benefits program. Rather than paying premiums to an insurance company, the employers contribute to a shared pool for reinsurance, while enjoying best-in-class contractual terms.

SAVINGS CAN BE TREMENDOUS

Between 2016 to 2021, Conner Strong & Buckelew's clients enrolled in the stop loss captive saved an estimated \$85 million versus being fully insured. Companies enrolled have between 50 and 500 employees, and the average enrolled company saved \$2.7 million over those six years.

ENROLLED COMPANIES
SAVED AN AVERAGE OF
20% OR \$2.7M
OVER SIX YEARS

Plan Year	2016	2017	2018	2019	2020	2021
Captive Clients	7	12	16	22	27	30
Total Enrollment	1,336	2,088	3,212	4,674	5,140	5,687
Fully Insured Premium (PEPM)	\$17,696,918	\$27,957,566	\$46,358,180	\$67,841,279	\$84,781,677	\$104,684,162
Total Self-Funded Costs (PEPM)	\$16,951,638	\$24,281,790	\$37,634,150	\$51,313,689	\$62,079,295	\$71,604,281
Difference (\$)	(\$745,279)	(\$3,675,776)	(\$8,724,029)	(\$16,527,590)	(\$22,702,382)	(\$33,079,880)
Difference (%)	-4.21%	-13.15%	-18.82%	-24.36%	-26.78%	-31.60%
6 Year Fully Insured Premium Total	\$349,319,781					
6 Year Self-Funded Cost Total	\$263,864,843					
Difference (\$)	(\$85,454,937)					
Difference (%)	-24.46%					

FROM 2021 TO 2025, THE CAPTIVE IS EXPECTED TO PERFORM **33% BELOW** THE FULLY INSURED MARKET.

CASESTUDY

Since becoming a member of a group captive in 2015, a manufacturing company has saved an estimated **\$3.5 million** on its healthcare spend.

THE SCENARIO

A manufacturer of custom-fabricated components with a 250,000 square-foot facility was fully insured with approximately 150 employees enrolled in coverage. Company leadership saw an opportunity to reduce costs by transitioning to a self funded captive program.

In 2015, the company implemented Conner Strong & Buckelew's group captive program.

THE RESULT

The company implemented the program with no disruption to employees' access to healthcare. Both plan design and provider network remained consistent with the prior year.

Under the group captive structure, the company was able to identify specific cost trends within the program, including emergency room visits and high-cost drug utilization. The company addressed those issues head-on through employee engagement, plan structure and wellness initiatives.

These efforts positively impacted the bottom line, resulting in cost savings for the organization and employees.

Self-funded costs are actual costs. Last fully insured renewal is used as basis for analysis. Fully Insured Premium increased 8% over Medical/Rx claims year over year.

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