resources that fuel your competitive advantage

HARDI

MEMBER HEALTH BENEFITS

HARDI
Gregory & Appel Captives

HARDI
Gregory & Appel Medical Stop Loss Program
A captive is an insurance company established to provide insurance to its owners and participants. A captive can be single-owner, group or association-owned, rent-a-captive, or segregated-cell.

**OUR RESULTS WITH CAPTIVES**
- Around 50 clients participating in captives
- Average of 25% Equity to Premium ratio for group captive members
- 20 years of (captive insurance) experience

*Actual equity balances upon closing a year will be further reduced by actuarially developed IBNR (Incurred But Not Reported) Loss Reserves and Closing Costs.*
BENEFITS OF CAPTIVES

- Ability to fulfill the insurance needs of a company or group of companies that the traditional insurance market is not currently fulfilling
- Can reduce and better control costs associated with managing risk and insuring the business
- Potential return of premium dividends to the parent company or group
- Possible tax benefits, though this should not be the primary motivation to establishing or joining a captive

TYPES OF CAPTIVES

Group | A group captive is established by and for the benefit of a group of companies. This can result from a need of an association, or by unrelated organizations that wish to share in the management of risk and the costs associated with risk.

Captives are most appropriate for those companies who manage their risk and consider themselves the “best in their class” of business.

There are two types of group captives:

**HOMOGENEOUS**
Insures companies within a *single industry*.

**HETEROGENEOUS**
Insures companies from *multiple industries*.

831(b) | An 831(b) captive is organized under the IRS ruling that insurance companies are tax-exempt if their annual premiums are equal to or less than $1.2 million. This is currently the most discussed alternative-risk vehicle, as many companies are establishing their own 831(b) captives to better manage risk, and retain underwriting profits within the captive insurance company.
Healthcare is one of the most financially challenging issues for employers...and the single most important benefit to employees. It’s no secret that healthcare costs are on the rise. In fact, costs have more than doubled from 1999 to 2012, and experts are forecasting another hike this year alone.

As an employer, how do you provide the best healthcare benefits for your employees without destroying your bottom line?

It all starts with CONTROL, TRANSPARENCY, and PRICE.

Mid-Market Med™ allows middle market companies to access self-funding insurance methods used by larger companies to gain control over their health insurance costs.

Mid-Market Med™ is:
- **Turnkey**: Including everything you need to gain control and improve wellness.
- **Effective**: Large employers have used self-funding insurance methods to control costs for years.
- **Proven**: 30% Cost savings experienced by groups with 100% return of collateral contribution.

Healthcare Costs Forecasted to Rise 11% in 2013

Are You Ready?

Did You Know?

80% of companies with more than 1,000 employees self-fund their health insurance benefits, up from 60% over the past 10 years.
Mid-Market Med™ Program Description:
A Medical Stop Loss program underwritten and issued by an A rated admitted carrier. Employer groups (insureds) continue to pay claims within their deductible. The group captive allows participants to retain profit(s) and loss(es) within the captive’s $250,000 or $500,000 retention. To ensure improved cash flow, each program is designed and tailored to an employer’s group size and financial capacity.

Program Benefits:
- Smooth payment cycles and improve cash flow ("pay as you go")
- Transparency in what is driving health care expenses
- Control over network and claim service providers
- Improve employee health and reduce healthcare costs with custom-designed, best-in-class wellness and behavioral programs.
- Retain your underwriting profit

Is Mid-Market Med™ Right for My Company?
Are you:
- An employer with 50-1000 lives eligible for health benefits?
- Looking for transparency?
- Ready to take control of your healthcare benefits?
- Supportive of a culture of health and wellness?

Submission Requirements:
- Current detailed census
- 3 years premium and claim history
- Copy of current policy or plan

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