

# Industry Expertise Leads to the Development of a Unique Captive Solution for Municipality Groups

An Excess Reinsurance Client Case Study

## Client Overview

A regional broker representing more than a dozen companies ranging from 100 to 3,000 employees was looking for an innovative healthcare solution that addressed a broad spectrum of needs while balancing costs and efficiencies. In addition to the need to comply with the Affordable Care Act (ACA) and to provide a competitive benefits package for employees, the clients also faced a unique minimum living wage ordinance. The broker selected Excess Re to develop a custom program based on their industry expertise and unique product offerings.

## The Challenge

For many small to mid-sized employer groups, **self-funding can be challenging because of the perceived additional risks and costs associated with it.** Consortium programs, whether in the form of a captive or other less complex risk sharing model, provide these groups with a unique solution. Such programs offer tailored coverage that their needs, provides greater flexibility, more control over claims, and shared risk amongst other members.

**It can also be challenging to find cost-effective healthcare programs that meet all the necessary minimum living wage ordinances and ACA requirements.** Brokers are tasked with finding partners that not only understand the nuances associated with those requirements but can also develop custom solutions that meet them.

## Excess Re's Curated Solution

Excess Re developed **a captive program that met the unique needs of each client, reduced costs for members, and satisfied the necessary requirements** outlined by the local minimum living wage ordinances and the ACA. The captive also provided a more stable solution for members by improving risk control and insulating them from changes in the market.

By combining their relationship with their issuing partners, Excess Re's actuarial resources, and access to their sister company, Argo Capital Group, Excess Re developed a program that has grown to more than \$30 million in annual written premium.

## The Results



Predictable renewals



Diminished claims variance



Compliance with relevant ordinances and ACA requirements

Working with their broker partner to implement best practices in plan design, **Excess Re was able to consistently increase benefits for plan participants while maintaining significant dividends for captive participants.**

Have questions about how we can develop a curated solution for your clients? **Reach Out to Us.**