

For brokers and producers only

Date: February 17, 2022

Markets: Self-funded accounts

CareFirst Enhances Stop Loss Product with Experience Refund Rider

CareFirst now offers employers, for an additional premium, the opportunity to earn a Stop Loss experience credit. Self-funded employer groups with CareFirst Specific Stop Loss insurance have the potential to earn an experience credit of up to 10% of the paid premium based upon their favorable claims experience. To be eligible to receive the credit under this rider,

1. the group's year-end paid Specific Stop Loss claims must be below the quoted target shared savings loss ratio threshold as set by underwriting *and*
2. the group must renew with CareFirst Stop Loss for the next policy year.

Calculating Experience Credit

The proposal will state the target loss ratio threshold, along with the percentage of net profit a group can earn. At the end of the policy year, CareFirst will analyze claims data and, if eligible, a premium credit will be calculated 115 days after the policy year end.

Examples of potential experience credits earned:

	No Claims	40% of net loss ratio	50% of net loss ratio
Gross Annual Premium	\$500,000	\$500,000	\$500,000
Target Shared Savings Loss Ratio	60%	60%	60%
Less Specific Claims Paid	\$0	\$200,000	\$250,000
Eligible Profit	\$300,000	\$100,000	\$50,000
Refund %	25%	25%	25%
Experience Credit	\$50,000	\$25,000	\$12,500

Examples assume 0% broker commissions. Refund maximum is 10% of the annual Stop Loss premium.

** Groups electing this offering will receive a Stop Loss experience credit Rider Policy endorsement.

Tips for Earning Experience Credit

Groups that typically earn the highest credit efficiently manage claims by taking advantage of wellness and other care management programs.

For more information

If you have any questions, please contact your Account Consultant or Stop Loss Sales Consultant.