

Operational Performance

2016 Report

Committed to Creating Confidence

As a leading national Stop Loss carrier, HM uses experience and risk management expertise to consistently deliver a high level of performance for producers, TPAs and policyholders. Our commitment begins before a proposal is delivered and continues through underwriting, installation, claims management, medical cost management and renewal. All services are under HM's control, and clients have access to HM's top decision-makers to ensure we deliver on our promise.

Fast, Accurate Claims Management Capabilities

Faster claim reimbursement impacts the policyholder's bottom line, and HM's claims management expertise drives quick payment without sacrificing accuracy. As a direct writer, HM does not need to secure approvals from an outside reinsurer to pay its claims. In 2016, 99.91 percent of all claims were processed within 10 business days.

HM's technical and financial accuracy consistently exceed industry standards.¹ And with more than 177,000 claim submissions processed over the past five years – totaling more than \$2.64 billion – our attention to detail gives policyholders confidence that claims will be paid quickly and correctly.

Cost Containment That Generates Savings

HM matches its claim payment capabilities with equally accomplished clinical expertise and cost containment practices. Our excess risk managed care coordinators enhance the TPA's efforts by reviewing potential claimant notices for savings opportunities, following potential third party recovery situations and adding aggressive out-of-network discount programs and Centers of Excellence to maximize cost savings for catastrophic claims. In 2016, HM generated savings of \$17.45 million through its cost containment efforts.

	Industry "Average" ¹	Industry "Excellent" ¹	HM 2016 Performance
Technical Accuracy	95.00%	97.00%	99.41%
Financial Accuracy	99.00%	99.50%	99.64%

FAST FACTS

- HM Insurance Group member companies rated A- (Excellent) by A.M. Best²
- Direct writer of Stop Loss coverage with licenses in 50 states and Washington, D.C.
- Approximately \$837 million in annual Stop Loss gross premium in 2016
- Consistently named to Ward's 50[®] top-performing insurance companies based on financial performance³
- Insures more than 1,426 self-funded plans covering more than 3.19 million lives

HM'S NUMBERS

- **Claims Processing** – 99.91% of claims are processed in less than 10 business days
- **Claim Accuracy** – 99.64% financial accuracy and 99.41% technical accuracy
- **Savings From Cost Containment Practices** – More than \$78.55 million in the last five years
- **New Business Proposal Generation** – Less than four business days
- **Sold Case Turnaround Time** – Average seven business days for new business and four days for renewals

Answers to Health Risk Challenges Come from Underwriting Expertise

Expert underwriters at HM team up with our regional sales consultants to identify best-in-class approaches to Stop Loss coverage. HM's thorough approach to creating a proposal includes gathering key information, identifying risks and addressing the policyholder's financial requirements. On average, HM provides a proposal in less than four business days upon receipt of complete information.

Once HM receives acceptance of the proposal, we complete the new business sold case process in less than seven business days on average, including a completed contract and case installation.

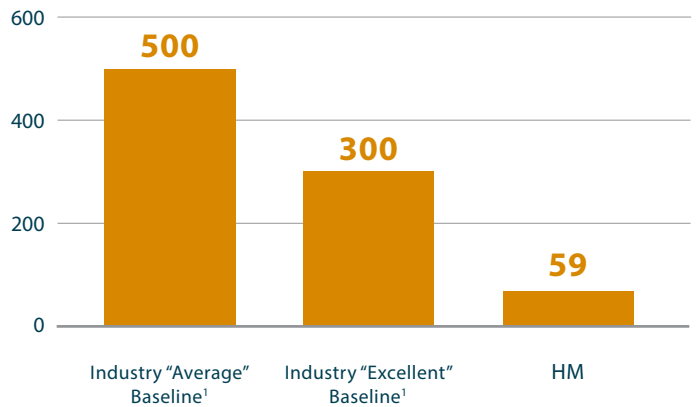
eServices Boost Client Performance

HM's eServices capabilities are designed to make administration as fast (and easy) as possible for producers, TPAs and policyholders. Contracts, administrative guides, commission statements and claim status reports can be viewed online. In addition, commission payments can be handled through direct deposit.

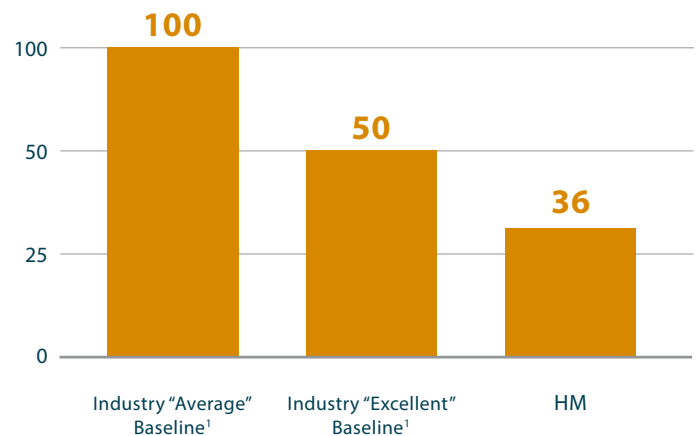
Through eClaims, HM can import claims data submitted by the client, saving the costs and time associated with submission of paper claims.

With the HM eBill option, users can view bills, adjust the number of lives and pay premium online. Our online tools are simple and accurate to ensure client satisfaction.

Technical Errors per 10,000 Claims Processed



Financial Errors per 10,000 Claims Processed



For more information, contact your HM sales representative or visit hmig.com



Guarding Financial Health
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Company statistics gathered through HM Insurance Group January 2017 Line of Business Report and other HM Insurance Group internal analysis.
¹"Average" and "Excellent" baselines for first-dollar claims, Trilogy Consulting, 2014; HM statistic is for Stop Loss claims as of 12/31/16.
²A.M. Best Company, Best's Rating Reports, July 2016. ³Ward Group, Ward's 50 Life-Health Companies, July 2016.

Coverage is underwritten by HM Life Insurance Company, Pittsburgh, PA, in all states except New York under policy form series HL601 or HMP-SL (11/16) or similar. In New York, coverage is underwritten by HM Life Insurance Company of New York, New York, NY, under policy form series HL601 or HMP-SL (11/16) or similar. In Pennsylvania, coverage may be underwritten by Highmark Casualty Insurance Company under policy form series HC601 or HMP-SL (11/16) or similar. The coverage requested may not be available in all states and is subject to individual state approval.