



GAIN THE ADVANTAGE

PERFORMANCE, POLICY
AND PROTECTION

HM STOP LOSS
AN HM INSURANCE GROUP PRODUCT



What sets HM apart from other Stop Loss carriers?

PERFORMANCE, POLICY AND PROTECTION.

It's the way we do things and what we achieve for our clients.
Through expert risk assessment and exceptional service delivery,
we provide self-insured groups with the financial protection they
need in a changing and challenging health benefits market.



PERFORMANCE

Experienced Risk Management

As a direct writer of Stop Loss, we are responsible for assessing the risk of groups requesting coverage and helping to tailor a plan that's right for them. For more than 30 years, HM has helped thousands of companies protect their financial assets from medical cost risk and manage cash flow with HM Stop Loss coverage. Currently, HM insures more than 1,500 self-funded plans, covering more than 3.4 million lives.¹

Our experts in risk management develop smart solutions for our clients. The results achieved have helped to place us among the top Stop Loss carriers nationally,² and the trust and respect we have earned give clients confidence in our coverage.

Operational Performance

HM's claims management expertise results in quick payment without sacrificing accuracy. As a direct writer, HM does not need to secure approvals from an outside reinsurer, which contributes to fast claims payment. In 2014, 97.55% of all claims were processed in six or fewer business days.¹

HM's technical and financial accuracy consistently exceeds industry standards.³ And with more than 140,000 claims processed over the past five years – totaling more than \$2.13 billion¹ – our attention to detail gives policyholders confidence that claims will be paid quickly and correctly.

Cost Containment

HM matches its claim payment capabilities with equally accomplished clinical expertise and cost containment practices. Our medical professionals review potential claimant notices for savings opportunities, pursue potential third party recovery situations and add competitive out-of-network discount programs and Centers of Excellence to maximize cost savings for catastrophic claims.

Our cost containment programs include:

- Out-of-network discount negotiations
- Hospital bill review
- Repricing services
- Centers of Excellence for transplants
- Cancer management services
- Kidney resource management services
- Neonatal management services
- Specialty pharmacy services

Over the past five years, HM has generated savings of more than \$60 million through our cost containment efforts.¹

A woman wearing a blue helmet with a red flower, a life vest, and a light-colored shirt is kayaking on a river. She is holding a black paddle. The river is surrounded by lush green trees and hills. The water is a vibrant turquoise color. A red banner is at the bottom left.

POLICY

A Solid Contract for Better Protection

As a leader in the Stop Loss market, HM offers clients a Stop Loss policy that provides clarity, financial protection and choice. The streamlined contract with limited exclusions helps to ensure clients know their coverage details.

Language Clients Understand

Written clearly and presented in an easy-to-follow structure, the HM Stop Loss contract effectively presents the program details so that both brokers and clients easily understand the policy. The quality of our contract language is very important to us when we partner with a group. It serves as the foundation for our mutual obligations and is central to our relationship.

Mirrors the Underlying Plan

To help eliminate potential gaps in coverage, the HM policy has provisions that allow the Stop Loss coverage to mirror the underlying health plan. Since gaps can create a multi-million dollar issue, plan parity is essential to protecting our clients' finances.

To avoid claim reductions or denials that can cost the client more, HM accepts all definitions, provisions and/or eligibility rules that are in the underlying plan, subject to underwriting review and approval.

Aligns with Health Care Reform Regulations

The HM Stop Loss policy's standard offer is an unlimited maximum with the option for a plan year maximum.

And in compliance with other health care reform regulations, the Stop Loss policy does not restrict dependent eligibility or include a pre-existing condition exclusion.

In addition, claim appeals overturned by an Independent Review Organization (IRO) are processed in the plan year when the claim was incurred.

Offers Choices for Customized Protection

Clients can choose Stop Loss policy features and options to make administering their plans and doing business with us easier.

The easy-to-navigate policy contains certain features and options that are categorized as riders to provide more choices to best fit the client's needs. Having such flexibility in plan design helps to meet a variety of levels of risk tolerance.



PROTECTION

Innovative Programs

HM designs Stop Loss programs that help to manage each client's financial liability. Our coverage helps self-funded groups protect their assets from unexpected large or catastrophic claims. Using a range of deductibles and contract periods, custom plans can be structured to satisfy specialized needs and mitigate claim risks.

The HM Stop Loss product features include:

- Specific and Aggregate coverage
- Wide range of contract periods – 12/12, 12/15, 12/18, 12/24, 15/12, 18/12 and 24/12
- Unlimited Specific coverage maximums to comply with health care reform
- Aggregate coverage maximum up to \$2,000,000 per policy period

- Specific deductibles from \$25,000 to \$2,000,000
- No new lasers or increases to existing lasers at renewal
- No signed disclosure form required at renewal

HM Provides Choices

HM offers a variety of options in the form of policy riders that allow groups to select the right coverage for their financial situation.

Specific and Aggregate Terminal Liability

Employers converting to fully insured coverage can extend Specific and/or Aggregate Stop Loss insurance for an additional three or six months following termination of the policy to reduce the risk of uncovered claims when a Stop Loss policy ends.

Bridge Renewal

For employers with a 12/15 or 12/18 Specific Stop Loss contract seeking protection from claims paid outside of their run-out period, this coverage extends the paid period to 24 months for clients renewing a Specific contract.

Monthly Aggregate Accommodation

When year-to-date Aggregate claims are higher than expected, we provide the opportunity to settle claims on an interim monthly basis. This option allows for partial payments to the Aggregate coverage during the policy year versus waiting until the end of the policy year for claims reimbursement, thus helping to improve the client's cash flow.

Advance Funding

In situations where extremely high dollar claims related to a catastrophic claim occur, Advance Funding can assist groups by paying a Specific claim instead of the group paying the claim and being reimbursed. This may help to alleviate a cash flow issue. The rider can be selected at the point of sale or renewal.

Aggregating Specific

Clients can reduce their Stop Loss premium by assuming more claim liability. With the Aggregating Specific feature, the client agrees to accept an amount of additional risk in exchange for the financial advantage of paying lower Stop Loss premiums. This feature is solely a financial arrangement and does not impact employee medical benefits. The Aggregating Specific feature is recommended for clients financially suited to accept additional risk.



THE HM STORY

The choice to self-fund is largely a financial decision. Groups choosing to self-fund need protection that can keep their bottom line healthy while providing a solid benefits package to their employees.

As a leading national Stop Loss carrier, HM provides protection from the financial losses associated with unexpected large or catastrophic medical claims to self-funded groups, helping to ensure success.

As part of a larger integrated delivery and financing system,⁴ HM also has the resources and experience-backed vision to create plans that work for each client's situation.

Our Approach to Business

With more than 30 years of experience, HM Insurance Group delivers smarter solutions, better performance and unparalleled support to our Stop Loss clients. Our conservative approach places our financial commitment to our clients' claims and experience above all else.

A direct writer with in-house decision-making responsibilities, HM can tailor innovative plans to satisfy each employer's level of risk tolerance. And our diverse suite of riders and programs helps to customize Stop Loss coverage for each client's situation.

Expert Guidance & Strong Business Model

It is HM's commitment to our clients that they should have direct access to the executive leadership of our company. Our seasoned, knowledgeable team works to develop long-standing relationships that enable HM to truly understand and meet client needs.

The HM business model is built on sound business practices and financial judgment. Strong and well capitalized, we use our risk management expertise to ensure financial stability while sustaining corporate growth. Our companies are rated A- (Excellent) by A.M. Best, and HM Life Insurance Company is consistently named to Ward's 50® top-performing life and health companies.

Making a Positive Impact

Through our role as a Stop Loss carrier, we see firsthand the debilitating effects of catastrophic medical conditions. Committed to making a meaningful, positive impact, HM provides financial contributions, countless hours of in-kind support and an overarching commitment to corporate responsibility in communities where we do business.

These charitable contributions aim to create healthier people and ultimately, healthier communities.

About HM Insurance Group

HM Insurance Group (HM), headquartered in Pittsburgh, PA, works to protect businesses and their employees from the potential financial risks associated with health costs. The company's product portfolio provides producers with health risk solutions that address a range of risk situations confronting employers, employees, health care providers and individuals.

A recognized leader in Employer Stop Loss, HM also offers Managed Care Reinsurance nationally and Workers' Compensation in Pennsylvania.



It's our policy to protect.SM
800.328.5433 | hmig.com

¹ HM Insurance Group internal reports, February 2015.

² MyHealthGuide, LLC, February 2015.

³ Trilogy Consulting, 2014.

⁴ HM Insurance Group is a diversified business of Highmark Inc.

Coverage is underwritten by HM Life Insurance Company, Pittsburgh, PA, in all states except New York under policy form series HL601. In New York, coverage is underwritten by HM Life Insurance Company of New York, New York, NY, under policy form series HL601. In Pennsylvania, coverage may be underwritten by Highmark Casualty Insurance Company under policy form series HC601. The coverage requested may not be available in all states.