

Operational Performance

2019 Results

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 help 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 2019, 100 percent of all clean claims were processed within 10 business days.

HM's technical and financial accuracy consistently exceed industry standards.¹ And with nearly 188,000 claim submissions processed over the past five years – totaling more than \$2.8 billion – our attention to detail gives policyholders confidence that claims will be paid quickly and correctly.

Cost Containment That Generates Savings

Through our HMConnects™ cost containment program, we match our claims payment capabilities with equally accomplished clinical expertise and cost management practices. Our excess risk managed care clinicians enhance TPA 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 2019, HM generated savings of \$12.3 million through its cost containment efforts.

	Industry "Average" ¹	Industry "Excellent" ¹	HM 2019 Performance
Technical Accuracy	95.00%	97.00%	99.61%
Financial Accuracy	99.00%	99.50%	99.98%

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 \$791 million in annual Stop Loss gross premium in 2019
- Insures nearly 1,100 self-funded plans covering more than 2.8 million lives

HM'S NUMBERS

- **Claims Processing** – 100% of clean claims are processed in less than 10 business days
- **Claim Accuracy** – 99.98% financial accuracy and 99.61% technical accuracy
- **Savings From Cost Containment Practices** – More than \$72 million in the last five years
- **New Business Proposal Generation** – Average of five to seven business days
- **Sold Case Turnaround Time** – Average of six 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 representatives 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 five to seven business days upon receipt of complete information.

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

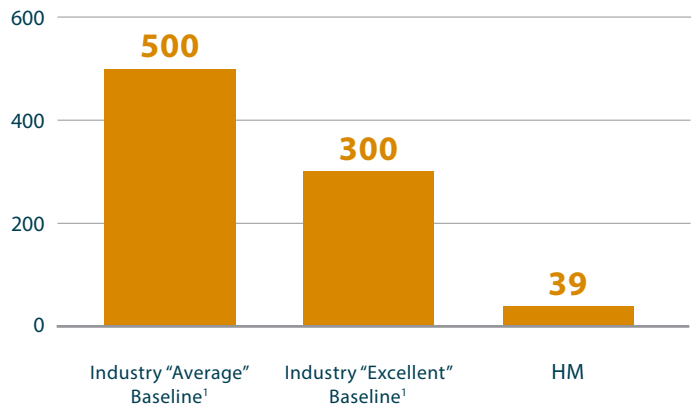
eServices Boosts Client Performance

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

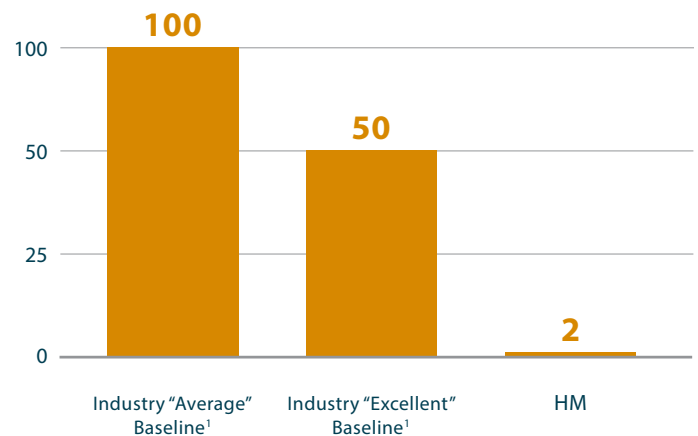
Through eClaims, HM can import claims data submitted by the client, saving the costs and time associated with the submission of paper claims.

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 help 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

Company statistics gathered through HM Insurance Group January 2020 Line of Business Report and other HM Insurance Group internal analysis; turnaround may vary during peak business times.

¹"Average" and "Excellent" industry standard benchmarks, Trilogy Consulting, 2020; HM statistic is for Stop Loss claims as of 12/31/19.

²A.M. Best Company, Best's Rating Reports, July 2019.

Coverage is underwritten by HM Life Insurance Company, Pittsburgh, PA, in all states except New York under policy form series HMP-SL (11/16) or HMP-SL (08/19) or similar. In New York, coverage is underwritten by HM Life Insurance Company of New York, New York, NY, under policy form series HMP-SL (11/16) or HMP-SL (08/19) or similar. The coverage requested may not be available in all states and is subject to individual state approval.