



**Innovative**  
BENEFIT PLANNING

# RESOLVED CLIENTS ROLLER COASTER RENEWALS WITH STABILITY STRATEGIES

## Client Facts

Industry: Financial Group

Number of Employees: 120

Service Provided: Stable  
Renewal Trends



## CHALLENGES



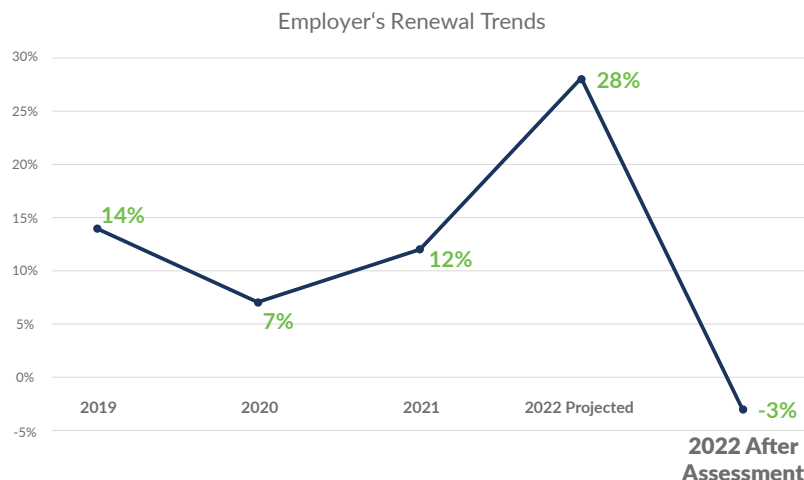
## SOLUTIONS

- 1 The plan was experiencing higher renewal rates each year. Rate increases were difficult to predictable: 14% for one year, followed by 3% the second year and 22% the third.
  - 2 The company had chosen a funding mechanism that they believed was the most beneficial for their medical plan. However, the funding platform was not company-friendly and had hidden revenue streams. An inefficient funding structure led the carrier to over-react to large, one-time claim activities, driving up rates.
  - 3 Their benefits broker did not perform an expansive market search and only looked at a few non-traditional platforms. When they said, "This is the best we are going to get," and the client trusted and believed them.
  - 4 The quality of client's risk pool continued to deteriorate each year. As employee costs increased, lower risk members left the plan and higher risks stayed, driving up employer and employee costs.
- 1 When we met with the client, it became clear they were not seeing all the options available. The client was not being educated on how the platform operated. The client agreed for us perform an assessment and present more alternatives.
  - 2 Our first recommendation was to create an open architecture by introducing competition among multiple vendors for all components of the medical plan.
  - 3 We implemented proper underwriting, capping employer risk while building a healthy medical plan.
  - 4 Our firm introduced measures to improve the risk pool by removing practices that had unintentionally driven some of the best risks from the plan.
  - 5 We linked these components to build a program providing substantial savings and better control for group members.



## RESULTS

- The client previously faced a 28% rate increase for 2022. Under the new structure, their renewal rate actually became a - 3%.
- Medical plans remained unchanged while costs declined. Employee contributions decreased, putting more money in their pockets.
- Moving to company-directed platform provided proper underwriting, an improved risk pool, and reduced waste and inefficiency.
- These changes created more stable renewal trends for the plan, making it easier to budget for medical costs in coming years.
- We will constantly reevaluate the current approach to stay ahead of market changes and help the client adjust their strategy to respond to future cost drivers.



Curious to see what your organization can save? Contact us for your free Assessment.