

Lawley Proactive Health Regional Meeting 2018-19 Reporting Review

June 11, 2019

Lorraine Byrnes
AVP, Program Services
Berkley Accident and Health





Lawley Proactive Health Loss Reporting Review

Demographic History

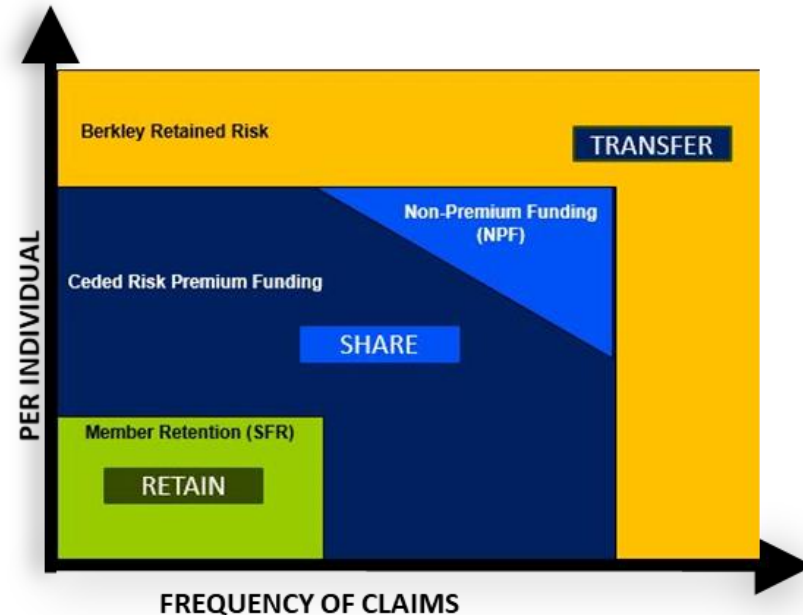
Year	Captive Members	EE Lives	Average per Member Employer
2010	6	814	136
2011	10	1367	137
2012	8	988	124
2013	7	1018	145
2014	11	1408	128
2015	13	1797	138
2016	16	2244	140
2017	16	2274	142
2018	21	3161	151
2019 ⁽¹⁾	25	3521	141

(1) through April 30, 2019

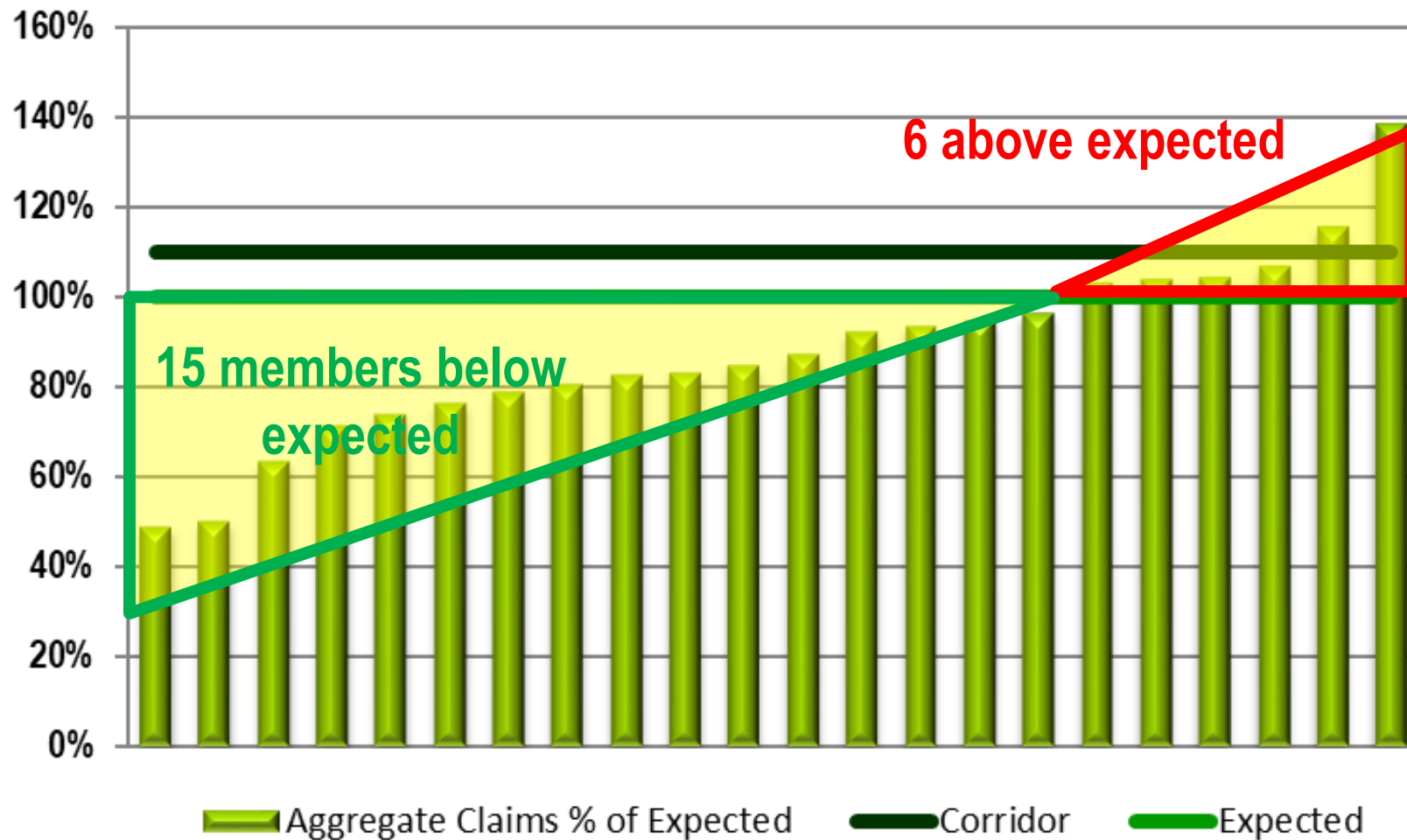
Monthly Loss Reporting Concepts

Each report in the package is intended to provide the performance of each “Layer” of Risk

- **Self-funded Retention (SFR)**
 - Estimate of Aggregate Claims, claims under specific deductible (**Retain** - Member)
- **Captive Layer**
 - Ceded Risk Premium + NPF – Summary of YTD Captive Experience (**Share** - Members)
- **Retained Layer**
 - Summary of Reported Losses (**Transfer** - Berkley)
- **Anticipate Adjustments to NPF**
 - Summary of Non-Premium Funding (Collateral Development) (Projected Member Liability)

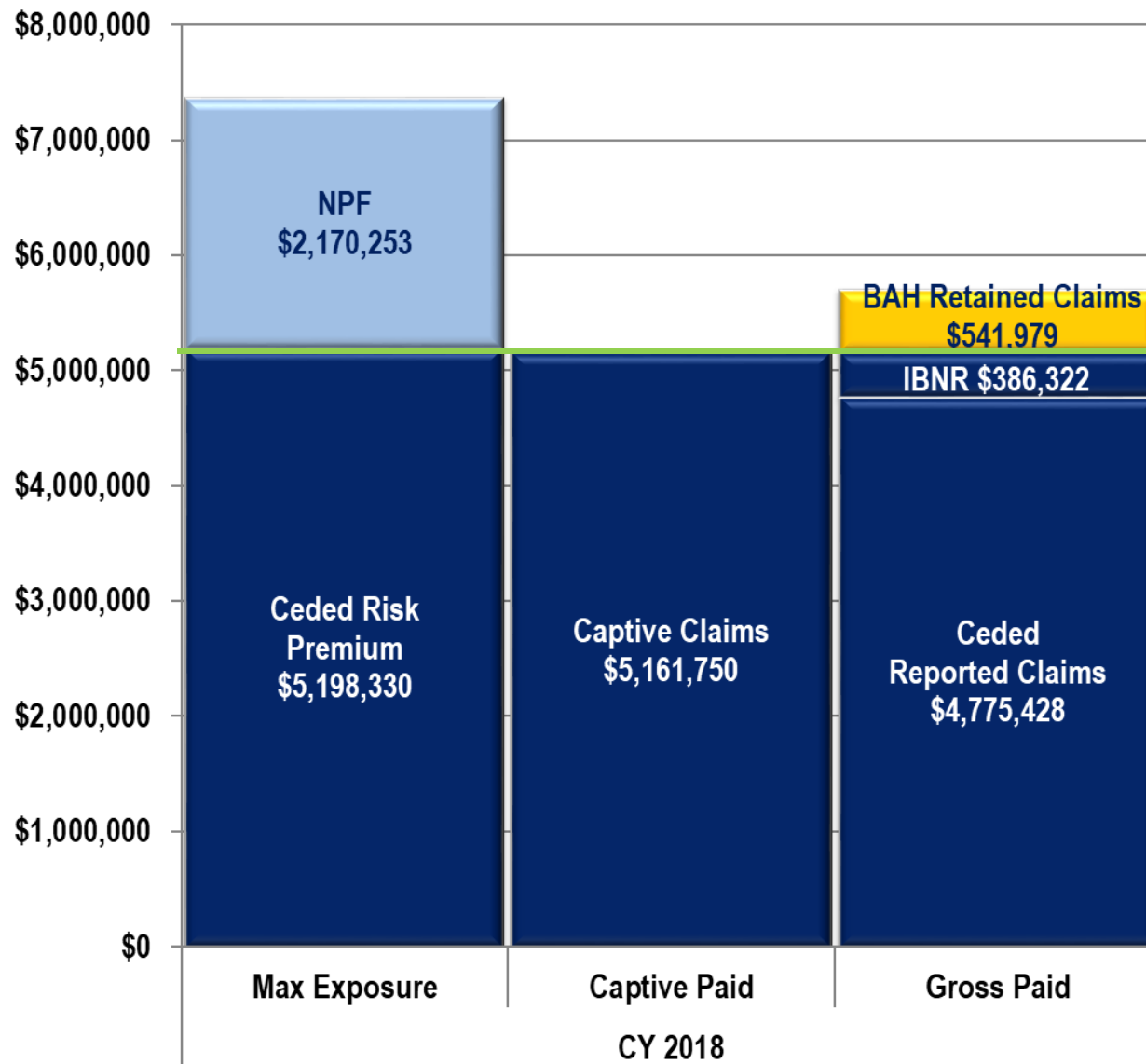


2018 Self-Funded Retention Performance



Note: 2018 program year through April 30, 2019

2018 YTD Captive Experience Summary



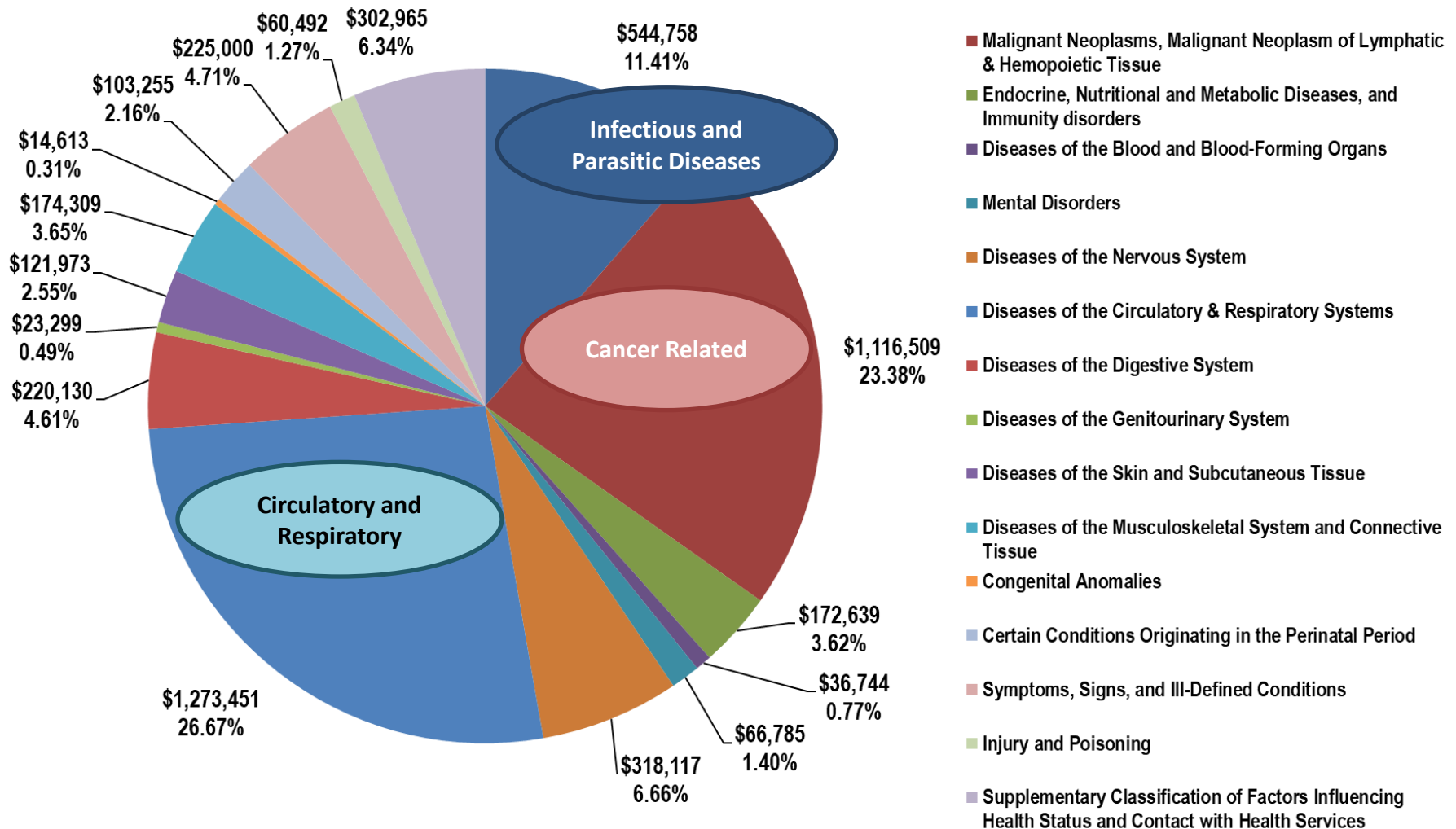
Projected Incurred Claims of \$5,161,750, which is comprised of \$567,434 in case reserves, \$386,322 in IBNR, and \$4,160,849 in paid claims

\$541,979 in BAH retained claims

AT EXPECTED

Projected Loss Surplus: \$36,580 less Captive Expenses

Captive Reported Claims 2018



Note: 2018 program year through April 30, 2019.

2018 YTD Top 5 Diagnostic Categories

Category	# Claimants	Gross Reported Claims	%	Captive Reported Claims	%
Diseases of the Circulatory & Respiratory Systems	17	\$1,514,981	28%	\$1,273,451	27%
Malignant Neoplasms, Malignant Neoplasm of Lymphatic & Hemopoietic Tissue	13	\$1,226,408	23%	\$1,116,509	23%
Infectious and Parasitic Diseases	6	\$630,197	12%	\$544,758	11%
Supplementary Classification of Factors Influencing Health Status and Contact with Health Services	5	\$392,891	7%	\$302,965	6%
Diseases of the Nervous System	11	\$318,117	6%	\$318,117	7%
Total	52	\$4,082,594	77%	\$3,555,799	74%

Note: 2018 program year through April 30, 2019.

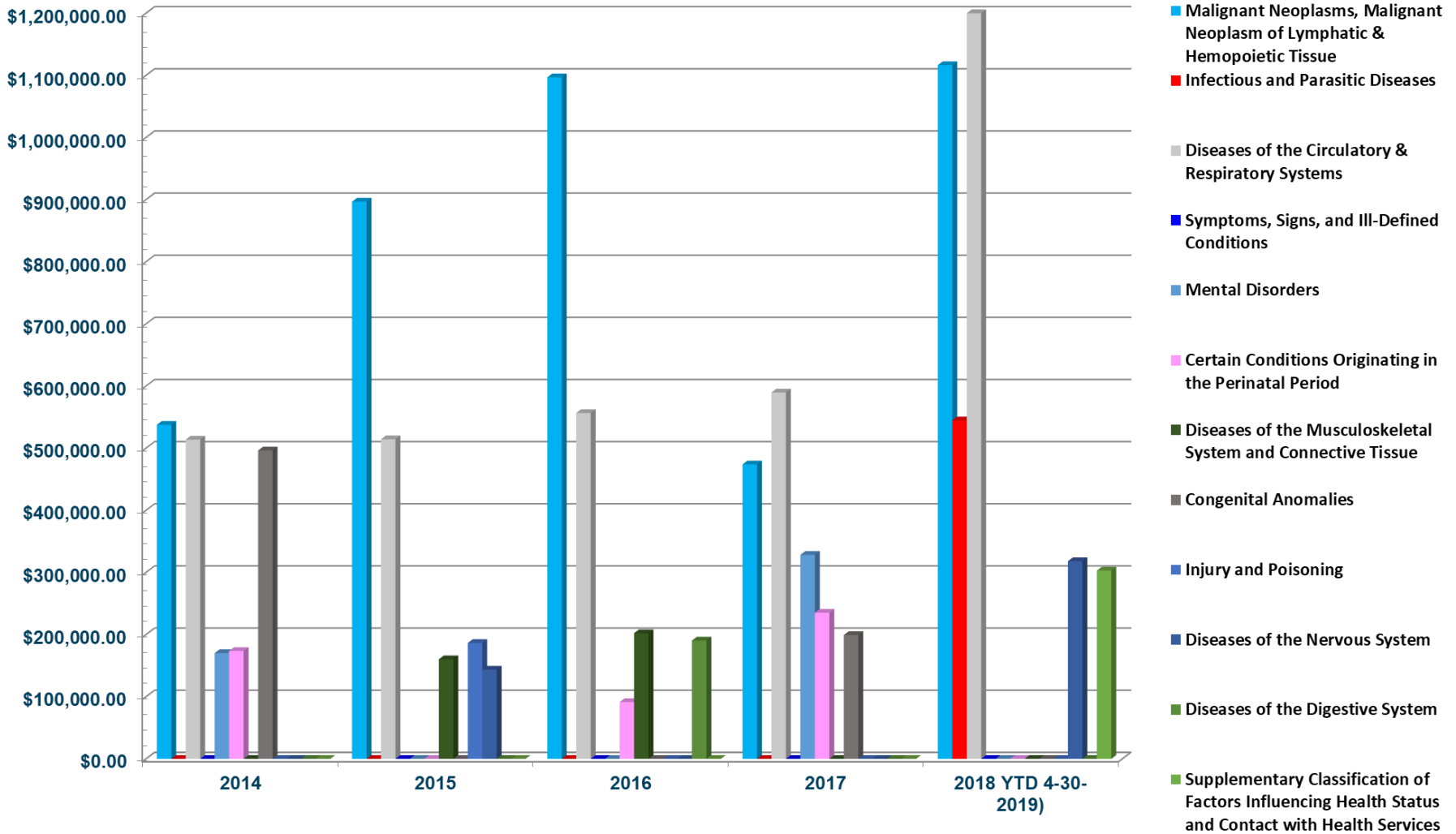
2018 Treaty Year Experience Highlights

- Significant change in reported loss ratio from 84.7% to 91.9%; incurred loss ratio from 94.8% to 99.3%; 2018 has 5 run out contracts
- As of 4/30/2019, 1 member has an aggregate claim (approximately \$158k)
- Still carrying \$567,434 in case reserves (87% increase) and \$386,322 in IBNR (\$158k agg exposure)
- Would hope to see the majority of any remaining specific claim activity by the end of May

2018 Treaty Year Experience Highlights

- 100 claimants of which 92 have presented
- Required NPF is basis for prorata formula (*expense share and distribution share*)
- 1st calculation point: end of June - 50%
- Currently projecting breakeven but actual outcome is heavily dependent on remaining loss activity (\$36k projected loss surplus)

Top 5 Reported Diagnostic Categories by Policy Year



Note: Over the past 5 years there have been 12 different diagnostic categories appearing in the top 5 Captive Paid Claims (\$), where a category is reflected in the above chart as \$0, it does not mean there were no captive reported claims in that category, rather it means the total did not place it in the top 5.

2019 Sneak Peek

- Reported loss ratio starting off the year at 31.9% (as of 4-30-2019); incurred loss ratio 100%; 3 run-out contracts
- 3 members slightly above expected on a YTD basis in the self-funded retention, most below at this early juncture
- 2 members showing projected excess in aggregate paid claims on a YTD basis, one with potential aggregate accommodation

2019 Sneak Peek

- Aggregate observations very early in year and highly likely to change
- Several members show an early shortfall in NPF (6)
- No losses currently exceeding the individual captive limit
- 11 claimants being tracked at this time; 9 of which have presented losses; remainder case reserve
 - Cancer (5 claimants)
 - Diseases of Nervous System
 - Diseases of Digestive System
 - Systemic Inflammatory Disease

Reporting Reminders

- Reports typically released between 20-25th of each month (*data lagged 45 days*)
- First report typically released July with data through May
- New 2019 members contact Program Manager or Lawley Account Manager to schedule 1:1 introduction/review of reporting package

Need Assistance? Additional Questions?

Lorraine A. Byrnes

AVP, Program Services

e-mail: lbyrnes@berkleyAH.com

Direct Dial: 609-689-6205

Mobile: 609-256-2256

James Hoitt

Senior Vice President, Group Captive Division

e-mail: jhoitt@berkleyAH.com

Direct Dial: 508-573-6090

Mobile: 978-660-7416

LouAnn Gasparro

Account Manager

e-mail: lgasparro@berkleyAH.com

Direct Dial: 609-689-6209

Dale Sagen

Program Account Executive

e-mail: dsagen@berkleyAH.com

Mobile: 440-503-4442

Jeff Kandzer

VP, Business Development

e-mail: jkandzer@berkleyAH.com

Mobile: 440-728-1805

Main Office: 609-584-6990

Fax: 609-588-5770

www.berkleyAH.com

www.benefitscaptives.com

Thank you

www.BerkleyAH.com

Coverage is underwritten by Berkley Life and Health Insurance Company or StarNet Insurance Company, both member companies of W. R. Berkley Corporation (NYSE: WRB) and rated A+ (Superior) by A.M. Best.

© Berkley Accident and Health

