

SUCCESS STORY**Employee health and benefits case study**

Silco takes back control of premiums with stop loss captive

The goal

Silco Fire & Security is a growing family-owned and operated business with over 250 employees spread across five Ohio offices. Silco was fully insured and performing well with their claims, however, they were losing out on potential savings from the high premiums being paid year-over-year. They moved to a self-funded plan to address cost controls, and even though they continued to experience favorable claims, Silco was still not benefiting from their savings. They needed a strategy to help take advantage of their favorable claims and gain more control over their costs.

The action plan

MMA suggested Silco move their plan to a stop loss captive to gain more control over their costs. Stop loss captives allow employers with similar risk profiles to pool their risk, reduce claims volatility and make self-funding viable. By sharing a layer of predetermined risk among a larger population, employers are protected from higher claim functions as single claims are absorbed into a larger pooling arrangement.

By joining the MMA RightPath captive, Silco was able to choose the deductible level that best fit their situation. As a member, they became a shareholder in the captive. This arrangement allows all participating companies to have influence in how the captive operates and ensures that 100% of the savings are returned to the members. In good claim years, their premium costs began to be returned to them instead of the underwriter keeping the savings.

To ensure they were keeping their claims low, they also turned to a pharmacy carve-out plan that allowed them to work directly with a pharmacy benefit manager (PBM) for more oversight and less cost.

The result

Since Silco joined the captive six years ago, they have seen a 50% return of their premiums. The RightPath captive has returned more than \$7 million in savings in the last seven years. It has also returned 36% in premiums to Midwest customers. The company has grown in size significantly over the years and their renewal costs still remain lower than when they were fully insured.

Your future is limitless.™**Client profile**

Fire and security services

50%

return in premiums

\$7 million

in savings over 7 years

36%

of premiums returned to Midwest customers

Learn how the Stop Loss captive can help gain control of costs and lower claims within your organization.

Marsh & McLennan Agency LLC
MarshMMAMidwest.com

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh & McLennan Agency LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affected if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change. d/b/a in California as Marsh & McLennan Insurance Agency LLC; CA Insurance Lic: 0H18131. Copyright © 2023 Marsh & McLennan Agency LLC. All rights reserved. MarshMMA.com