



SOCIETY OF ACTUARIES

**Health Spring Meeting  
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**Session # 24: Updates and New Developments in  
Health Reinsurance**

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# Updates and New Developments in Health Insurance

College Medical Insurance

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## \$1.4B in 2007

- Trend toward waiver
- Robust benefit design
- Shift of insurance responsibility
- Medical advancement
- Medical inflation

## Managed Care Onslaught

- 2001 Aetna acquires Chickering – \$380M
- 2006 UHC acquires Mega Life - \$210M
- CIGNA Healthcare
- Local Blues Networks
- Regional Carriers
- Nationwide
- AIG
- Ace

## The Numbers

- 4,140 Universities in the US
- 17,487,475 enrolled students
- 80% of students 18-23 had health insurance
  - 67% employer sponsored (parents)
  - 7% private plans (college)
  - 6% other (Medicaid)
- 20% of students were uninsured
- Over 50% of colleges provided insurance plans
  - Benefit range from \$2,500 to unlimited lifetime
  - Premium range from \$30 to \$2,400 per year

## The Shift

- Healthcare Savings Accounts
  - Don't drain nest egg
  - Students encouraged to have own plan
- Mandatory plans to reduce premiums
  - Voluntary plans cost more due to selection
- Age of students getting older
  - Family plans
- Change in plan design
  - Allocated benefits to blanket managed care

## Opportunity

- Improved plan designs
- Better underwriting
- Claims management
- Better spread due to waiver
  
- Get in the game