

The Reinsurance Section Council is pleased to announce the availability of insurance policy or reinsurance treaty discussion documents for various catastrophic medical excess lines of business.

The SOA website now includes four articles providing discussion of specific insurance policy of reinsurance treaty provisions for the following lines of catastrophic medical excess business:

Coverage Document	Author	Contact
HMO Excess	Mark Troutman	mtroutman@summit-re.com
Provider Excess	Greg Demars	gdemars@hcclife.com
Employer Stop Loss	Mark Troutman	mtroutman@summit-re.com
Carrier medical Excess	Dan Wolak	dwolak@genre.com

These documents are in a conversational tone, rather than a simple listing of legal terms. They're designed to provide a basic understanding of specific coverage issues associated with each product line. Documents are not legal agreements and are not intended to create an industry standard insurance policy or reinsurance treaty.

Those involved as reinsurance purchasers and sellers can benefit from a discussion of these items and examples of coverage. They can serve as a training and education tool for staff but also for senior managers not generally involved in daily activities of insurance or reinsurance. They can serve as a checklist for those of us who work on these lines day-to-day.

The articles address the nuances of each coverage. For example:

Employer Stop Loss – this is an insurance policy provided to a self-funded employer with an ERISA plan document. This is one of the rare coverages where there is a (125%) aggregate stop loss component of protection as well as one for large individual claims.

HMO excess – Coverage focuses on provider agreements for contracted facilities and provider agreements. Coverage is often for hospital inpatient coverage only with some limited step down facility coverage (hospice, home health, skilled nursing). A treaty typically has an average daily maximum or a per diem limit on reimbursements by the reinsurer. Continuation of benefits / insolvency coverage is often required by various state regulations.

Provider excess – this policy also emphasizes risk assumed by providers and their managed care contracts. It's important to match the insurance coverage to the grid of responsibilities for capitation accepted by the providers as evidenced by a "division of financial responsibilities matrix".

Carrier medical excess – Coverage is comprehensive for all services with few, if any, inside limits.

A similar project continues for the life reinsurance treaty, and results will be delivered in the year.

Mark Troutman spearheaded this effort as the designated health member of the Reinsurance Section Council.

Special thanks to Mark Troutman of Summit Reinsurance Services, Inc., Greg DeMars of HCC Life and Dan Wolak of Gen Re Life & Health for their significant involvement on this project.

We hope you find these documents useful. Comments should be provided to the authors of the documents as these are works of the individuals rather than the opinions of the Society of Actuaries or the Reinsurance Section Council.