



HEALTH INSURANCE
SOLUTIONS IN A
CHANGING MARKET

Maine State Chamber of Commerce
Health Care Forum



WHO WE ARE

CROSS INSURANCE FAST FACTS



1954

YEAR FOUNDED



50+

LOCATIONS



1,000+

EMPLOYEES

BENEFITS DIVISION FAST FACTS



15,000+

EMPLOYEE BENEFIT
CLIENTS



100+

EMPLOYEE BENEFIT
PROFESSIONALS



MAINE'S LARGEST
EMPLOYEE BENEFITS
PROVIDER

Current State of the Employee Benefits Market



- **Rising premiums**
- **Increased regulatory pressures**
- **Tight labor market**
 - Employee retention of utmost importance
 - Competitive benefits package necessary
 - New, innovative benefits needed
- **Evolving technology landscape**
- **Inflationary economy putting pressure on employment spending**

Impacted Markets



Individual



Small Group



Large Group

Alternatives for Small Group Employers (2-50)



Fully Insured



Level Funded



Self-Funded



ICHRA

Small Group Fully Insured



- **“Traditional” Insurance**
- **Community Rated**
- **Multiple Carrier Options**
- **Savings Through Plan Designs (carrier controlled)**
 - Narrow networks
 - Tiered networks
- **Stable Monthly Costs**

Level Funded Options

- **Self-funding “light”**
 - Premiums developed at maximum exposure
 - Potential for savings when claims are low
 - Stable monthly costs
 - Claims data shared
- **Variety of underwriting methods**
 - Medical questionnaires
 - Prescription drug utilization
- **Not regulated by State of Maine**
 - Benefits do not comply with State mandates
 - Not subject to 3% premium tax
- **Ability to move back to fully insured options**



Self-Funded Options



- **Self-funding trending to smaller groups (25+)**
 - Less stability in rates
 - Potential for savings when claims are low
 - Individual and Aggregate reinsurance
 - Claims data shared
 - Greater flexibility for customization of plans
- **Variety of underwriting methods**
- **Not regulated by State of Maine**
 - Benefits not required to comply with State mandates
 - Not subject to 3% premium tax

Individual Coverage Health Reimbursement Account Accounts (ICHRA)



- Available to all group sizes
- Allows employees greater choice
- Reduces employer control
- Must meet ACA affordability requirements
- Can offer to limited populations
- Allows for risk mitigation
- Enrollment can be challenging
- Re-entry to fully insured can be difficult for large groups
- Could negatively impact recruiting efforts
- Could impact company culture

Overall Threats to Individual & Small Group Market

- **“Healthy” groups seek other options**
- **Risk mitigation techniques negatively impact overall claims experience**
- **Employer/employee confusion**
- **Individual and small group markets become less attractive to carriers
reducing competition**

Q & A

DO YOU HAVE ANY QUESTIONS?

