



MEEKER SHARKEY & HURLEY

*Insurance and Employee Benefits*

# The Insurance Industry: A Really Big Casino

HOW YOU CAN BE THE HOUSE!

# How your health insurance company is like a Really Big Casino!

## Casino

- ▶ Spends a lot to attract gamblers
- ▶ Collects bets
- ▶ Keeps the loser's money
- ▶ Pays out to the winners
- ▶ Uses statistics & probability to set payouts
- ▶ Keeps an override for the transaction
- ▶ Doesn't care who wins or who loses

## Health Insurer

- ▶ Spends a lot to attract employers
- ▶ Collects premiums
- ▶ Keeps premiums when there are little to no claims
- ▶ Uses other's premiums to payout big claims
- ▶ Uses actuaries to determine premium and claims payment
- ▶ Keeps an administrative fee
- ▶ Doesn't care who has claims and who doesn't

# How to own the Casino for your employee health insurance.

## Level Funded

- 5-50 employees
- Level Premium Payment
- Potential return of premium in a good claim's year
- Transparency in how dollars are spent
- Incentive for healthy lifestyle
- Easy to return to walk away with the right policy

## Captive

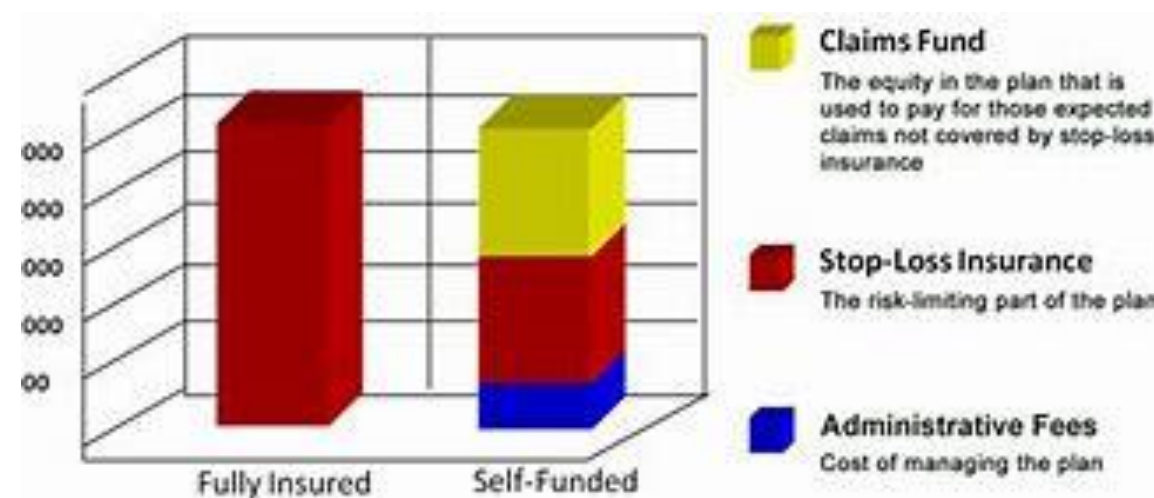
- 50- 250+ employees
- Self-fund smaller claims
- Pooled risk/Stop Loss with similar employers
- Design your own plan
- Transparency in how dollars are spent
- You are the shared owner of the Captive
- Long Term Investment

## Self-funded

- 250+ employees
- Self-fund all but large claims
- Purchase Stop Loss Insurance
- Design your own plan
- Transparency in how dollars are spent
- You control the plan
- Long Term Commitment

# Why own the House?

- ▶ Reduce costs long term
- ▶ Substantially Reduce Premium Tax
- ▶ Design Better Plans for Your Employee Needs
- ▶ Help Attract and Retain Employees
- ▶ Access to More Data to Make Better Decisions
- ▶ Improve Cash Flow



Peter Rosky  
Senior Vice President  
Practice Leader

Meeker Sharkey & Hurley  
21 Commerce Drive  
Cranford, NJ 07016  
908-696-7045

[prosky@meekersharkey.com](mailto:prosky@meekersharkey.com)

