



PRESIDIO

“Change Brings Opportunity”

This saying has never been more appropriate than it is today. Our industry has seen an unprecedented number of regulatory changes that continue to unfold and redefine our markets. Combined with the trend of increasing frequency and volatility of catastrophic claims, the need to partner with an experienced market leader to assist you with managing risk exposures and growth opportunities has never been greater. Presidio continues to provide its Accident and Health clients with innovative, client-specific solutions as it has for nearly 20 years. We look forward to helping you and your Medical Reinsurance clients with navigating the changes, making the most of new opportunities, and achieving their goals.

What trends do we see?

1. Continued growth in Self-funded Health plans

- a. SIIA estimates that the employer stop loss market size has reached \$6-\$8 billion and healthcare reform continues to drive interest in self-funding

2. Increased utilization of Captives by entities that want to participate in the risk

- a. Creation of Captives is proliferating with many states vying for the business
- b. Health Plans and Large Employer groups are now utilizing Captives to take risk

3. Formation of organizations such as CO-OP's, ACO's and Exchanges, driven by the opportunities provided in PPACA

4. Increasing volatility of claims costs with greater plan liabilities heighten the demand for creative and customized reinsurance programs which incorporate effective medical management. Claims costs drivers include:

- a. Biotech infusions and injectables
- b. Medical technology and devices such as the Berlin Heart that can result in \$2 million or more in additional costs per patient
- c. Increasing number of high cost procedures such as autologous bone marrow transplants
- d. Rise in numbers of obesity related claims
- e. Hospital acquired infections and never events becoming more common and a generator of jumbo claims
- f. Administrative errors – A recent example was the overbilling of a client of approximately \$1.2 million on just one case

Our Medical Reinsurance Team has the expertise and experience to develop creative and customized solutions utilizing Presidio's broad range of products and services. We continue to grow and strengthen our team with the recent addition of Susan Kistner, Senior Medical Reinsurance Underwriter in our Kansas City office.



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**WE LOOK FORWARD TO WORKING WITH YOU ON YOUR
UPCOMING RENEWALS AND PROPOSALS. IN THE COMING
WEEKS WE'LL BE CONTACTING YOU TO SEE HOW WE CAN
BE OF SERVICE TO YOU AND YOUR CLIENTS.**

**OUR MEDICAL REINSURANCE PORTFOLIO OF
PRODUCTS INCLUDES:**

1. **Medical Excess Reinsurance** – Provides protection to insurance companies, Captives and other risk taking entities.
2. **Quota Share** – Focuses on specialty programs including limited medical, prescription drug and transplant carve-out programs, critical illness and other unique niches.
3. **Organ Transplant Carve-out** – Provides first dollar carve-out of the risk with deductible options available as well.
4. **License Management** – Assists with issuing paper, reinsurance, enables the client to take risk/issue policies and manage the complexities of reallocation of assets.
5. **Presidio Pulse™ program** - Educates and assists clients in managing their risk. We offer medical and cost management, data analysis and reporting tools, carve-out programs for high risk conditions, consultative services, organ and tissue transplant contract analysis, network contracting and consulting, complex clinical assessment and oversight and automation of the reinsurance process.

Given the world's unpredictability, we offer an underwriting and actuarial analysis that provides our clients with an understanding of their catastrophic exposure and how to effectively limit that risk.

