



# **Employee Benefit Excess Insurance Report**

## **Coverage of Employer Groups and Small Group Attachment Points**

### **for the Year 2022**

Prepared by the Maine Bureau of Insurance

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## Background

This report is a compilation of data submitted by insurance carriers to the Bureau of Insurance as required by Rule Chapter 135: Employee Benefit Excess Insurance.

Employee Benefit Excess or Stop Loss insurance is a product that is issued to a self-insured employer to cover their employees' health claims above a certain amount. There is typically a specific attachment point for each covered individual and an aggregate amount for the group. "Self-insured" or "self-funded" means the employer is responsible for paying claims from its own funds, without an underlying health insurance policy.

There are several concerns with the expanding use of self-insured small employer plans, including the effect of adverse selection on the community rated ACA small group market. Chapter 135 defines the provision of the Maine Insurance Code that prohibits classifying a policy as excess insurance if the attachment points are so low that they have the effect of making the employer's plan an insured health plan.

Predicting the effect of the ACA on employers' decisions whether to self-fund is complicated by the lack of information about the prevalence of self-funding. Federal law (ERISA) prohibits states from regulating most self-funded employer plans. Consequently, states have little information about those plans and the number of employers that self-fund.

This data is being collected and reported from the stop loss carriers to help develop a sense of trends over time and monitor the performance and behavior of the small group market segment.

Twenty-four insurance carriers reported 2022 Maine stop loss data and of those, ten carriers reported more detailed data for small group employer policies. Of the reporting carriers there were 835 employer groups with stop loss coverage, including 489 small employer groups. The total number of small employer groups with stop loss coverage has decreased slightly since reporting began in 2019. There has been an increase in the total number of covered employees and total covered lives from 2020 to 2022. In 2022 the total number of covered employees was 8,457 and total covered lives was 13,796.

The attachment points for small employers ranged from \$11,165 to \$356,532. Rule 135 requires a minimum specific attachment point of \$28,700. The lower attachment points reported are from policies issued incorrectly and still in effect in 2022. Corrective action has been taken to prevent further violations.

More detail is provided in the tables below. The names of reporting carriers have not been disclosed. Chapter 135 took effect on September 18, 2019 for policies issuing or renewing after that date. An insurer may not offer or renew an employee benefit excess insurance policy to a group with ten or fewer employees enrolled in the group health plan, with the exception of a policy that was in force on the effective date of the rule, covering a group with ten or fewer enrolled employees. There are several carriers reporting renewing groups that were in effect before the regulation and thus covering less than the required 11 or more employees. We are continuing to monitor those coverages.

## Year Over Year Comparison

The intent of this section of the 2022 Employee Benefit Excess Insurance Report serves as a comparison of the plan years 2020 through 2022. Excess loss data has been reported since 2019.

### Employer Group Count 2020-2022 Comparison

Table 1 depicts the total number of group stop loss policies issued or renewed in Maine for plan years 2020, 2021, and 2022. For each carrier that issued policies to small employers, this table compares the number of employer groups the carrier insured in 2020, 2021, and 2022. Row XYZ aggregates the remaining carriers that only issued stop loss coverage to large employers.

Table 1. Group Count						
Carrier	All Groups			Small Groups		
	2020	2021	2022	2020	2021	2022
A	22	23	26	5	7	6
B	9	5	5	9	5	5
C	11	25	32	11	25	32
D	20	21	21	18	16	14
E	46	40	28	45	39	26
F	71	88	87	53	64	60
G	378	363	357	367	348	341
H	8	8	7	0	2	1
I	0	5	2	0	5	2
J	12	13	20	0	1	2
XYZ	583	335	250	0	0	0
Total	1,160	926	835	508	512	489

## Employee Benefit Excess Insurance: Aggregate Data for Small Employers 2020-2022 Comparison

Table 2 combines, for comparison purposes, the 2022 information on the total number of eligible employees, total number of enrolled employees, and average attachment point, and directly compares this data to 2020 and 2021 data for the same categories.

<b>Table 2. Small Group Employee Excess Insurance Data</b>									
Carrier	Eligible Employees			Enrolled Employees			Average Attachment Point		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
A	193	243	235	154	197	205	\$226,224	\$202,717	\$282,406
B	223	134	98	207	140	117	\$27,778	\$30,000	\$30,000
C	315	725	861	315	725	861	\$147,146	\$174,584	\$153,599
D	444	364	326	271	200	186	\$30,278	\$30,000	\$30,000
E	538	497	332	515	500	335	\$41,507	\$43,875	\$49,786
F	1523	1835	1663	1116	1306	1292	\$28,700	\$28,700	\$28,700
G	7560	7195	7506	5339	5244	5318	\$30,000	\$30,000	\$30,000
H	0	48	25	0	48	25	N/A	\$57,500	\$50,000
I	0	85	51	0	35	26	N/A	\$12,891	\$20,467
J	0	52	92	0	51	92	N/A	\$40,000	\$52,500
Total	10,796	11,178	11,189	7,917	8,446	8,457	-	-	-

## 2022 Small Group Employee Benefit Excess Insurance Data

The following section depicts data reported by carriers on employee benefit excess insurance for plan year 2022. Specifically, the data in the tables below focuses on excess insurance sold to the small group market. Any excess data sold by carriers to large groups is excluded in this section (Please see Table 1 for data on all groups).

### Employee Benefit Excess Insurance: Eligible Employees

Table 3 shows, by carrier, employee data reported for Employee Benefit Excess Insurance issued to employers that are eligible for small group health insurance coverage. This table includes total eligible employees by carrier along with the employers with the highest and lowest eligible employee count.

<b>Table 3. Small Group Eligible Employees</b>			
Carrier	Eligible Employees	Min Eligible Employees (by Small Group)	Max Eligible Employees (by Small Group)
A	235	0	50
B	98	11	26
C	861	13	51
D	326	12	37
E	332	2	34
F	1663	11	49
G	7506	5	50
H	25	25	25
I	51	19	32
J	92	43	49
Total	11,189	-	-

"Eligible group" means any person, firm, corporation, partnership, association or subgroup engaged actively in a business that employed an average of 50 or fewer eligible employees during the preceding calendar year. There may be times when a group exceeds 50.

## Employee Benefit Excess Insurance: Enrolled Employees

Table 4 shows Enrolled Employee data for the small employer policies reported in Table 3. This table includes, by carrier, the total number of employees actually enrolled in the employers' benefit plans along with the employers with the highest and lowest enrolled employee counts for each carrier.

<b>Table 4. Small Group Enrolled Employees</b>			
Carrier	Enrolled Employees	Min Enrolled Employees (by Small Group)	Max Enrolled Employees (by Small Group)
A	205	25	46
B	117	10	52
C	861	13	51
D	186	7	25
E	335	2	35
F	1292	9	45
G	5318	1	43
H	25	25	25
I	26	26	26
J	92	43	49
Total	8,457	-	-

## Employee Benefit Excess Insurance: Attachment Points

Table 5 shows Attachment Point data reported on the Employee Benefit Excess Insurance issued to small employers. This table includes the employers with the highest and lowest specific attachment points, by carrier.

<b>Table 5. Small Group Attachment Points</b>			
Carrier	Min Attachment Point (by Small Group)	Max Attachment Point (by Small Group)	Average Attachment Point
A	\$184,348	\$356,532	\$282,406
B	\$30,000	\$30,000	\$30,000
C	\$68,496	\$330,273	\$153,599
D	\$30,000	\$30,000	\$30,000
E	\$30,000	\$181,662	\$49,786
F	\$28,700	\$28,700	\$28,700
G	\$30,000	\$30,000	\$30,000
H	\$50,000	\$50,000	\$50,000
I	\$11,165	\$29,769	\$20,467
J	\$40,000	\$65,000	\$52,500