



2023 Employee Benefit Excess Insurance Report

Coverage of Employer Groups and Small Group Attachment Points

Prepared by the Maine Bureau of Insurance

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Janet T. Mills
Governor

Robert L. Carey
Superintendent

Anne L. Head
Commissioner

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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 issued to a self-insured employer to cover its 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 points¹ 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 about whether to self-fund is complicated by the lack of information about the prevalence of self-funding. The [Employee Retirement Income Security Act](#) (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.

Data is collected and reported from stop loss carriers to track trends over time and monitor the performance and behavior of the small group market segment. Thirty insurance carriers reported 2023 Maine stop loss data, and, of those, eleven carriers reported more detailed data for small group employer policies. Of the reporting carriers, there were 864 employer groups with stop loss coverage, including 496 small employer groups. The total number of small employer groups with stop loss coverage had decreased slightly since reporting began in 2019 through 2022. However, 2023 saw a slight increase in the number of small groups with stop loss coverage over the previous year. Additionally, the total number of covered employees from the small employer groups has increased over recent years to 9,042. The attachment points for small employers ranged from \$28,700 to \$448,291. Rule 135 requires a minimum specific attachment point of \$28,700.

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.

¹ Per [Rule Chapter 135](#), "attachment point" means the claims amount incurred by an insured group beyond which the insurer incurs a liability for payment.

Employer Group Count 2021-2023 Comparison

Table 1 depicts the total number of group stop loss policies issued or renewed in Maine by each carrier for plan years 2021, 2022, and 2023. Row XYZ aggregates the remaining carriers that mainly issued stop loss coverage to large employers.

Table 1. Group Count						
Carrier	All Groups			Small Groups		
	2021	2022	2023	2021	2022	2023
A	23	26	27	7	6	7
B	5	5	5	5	5	5
C	25	32	35	25	32	34
D	21	21	14	16	14	10
E	40	28	26	39	26	23
F	88	87	75	64	60	57
G	363	357	392	348	341	356
H	8	7	5	2	1	1
I	5	2	1	5	2	1
J	13	20	23	1	2	1
XYZ	335	250	261	0	0	1
Total	926	835	864	512	489	496

Aggregate Data for Small Employers 2021-2023 Comparison

Table 2 shows the total number of eligible employees, enrolled employees, and average attachment point for 2021, 2022, and 2023.

Table 2. Small Group Employee Excess Insurance Data									
Carrier	Eligible Employees			Enrolled Employees			Average Attachment Point		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
A	243	235	268	197	205	226	\$202,717	\$282,406	\$294,998
B	134	98	162	140	117	129	\$30,000	\$30,000	\$30,000
C	725	861	866	725	861	866	\$174,584	\$153,599	\$149,136
D	364	326	257	200	186	133	\$30,000	\$30,000	\$30,000
E	497	332	329	500	335	337	\$43,875	\$49,786	\$50,931
F	1,835	1,663	1,552	1,306	1,292	1,235	\$28,700	\$28,700	\$28,700
G	7,195	7,506	8,020	5,244	5,318	6,006	\$30,000	\$30,000	\$30,000
H	48	25	38	48	25	38	\$57,500	\$50,000	\$50,000
I	85	51	34	35	26	26	\$12,891	\$20,467	\$28,700
J	52	92	46	51	92	46	\$40,000	\$52,500	\$65,000
Total	11,178	11,189	11,572	8,446	8,457	9,042	-	-	-

2023 Small Group Data

The following section depicts data reported by carriers on employee benefit excess insurance for plan year 2023. The data in the tables below focuses on excess insurance sold to the small group market, and Excess insurance sold to large groups is excluded in this section (Please see Table 1 for data on all groups).

Eligible Employees

Table 3 shows, by carrier, eligible employees for small groups². This table includes total eligible employees by carrier along with the employers with the highest and lowest eligible employee count.

Table 3. Small Group Eligible Employees			
Carrier	Eligible Employees	Min Eligible Employees (by Small Group)	Max Eligible Employees (by Small Group)
A	268	0	50
B	162	11	67
C	866	6	48
D	257	9	40
E	329	3	34
F	1,552	11	48
G	8,020	5	50
H	38	38	38
I	34	34	34
J	46	46	46
Total	11,572	-	-

² Per [Title 24-A M.R.S.A. §2808-B](#): "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.

Enrolled Employees

Table 4 shows enrolled employee data for the small group policies reported in Table 3. This table includes 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.

Table 4. Small Group Enrolled Employees			
Carrier	Enrolled Employees	Min Enrolled Employees (by Small Group)	Max Enrolled Employees (by Small Group)
A	226	24	46
B	129	7	52
C	866	6	48
D	133	6	23
E	337	3	37
F	1,235	7	46
G	6,006	1	50
H	38	38	38
I	26	26	26
J	46	46	46
Total	9,042	-	-

Attachment Points

Table 5 shows reported attachment point data. This table includes the employers with the highest and lowest specific attachment points, by carrier.

Table 5. Small Group Attachment Points			
Carrier	Min Attachment Point (by Small Group)	Max Attachment Point (by Small Group)	Average Attachment Point
A	\$122,078	\$448,291	\$294,998
B	\$30,000	\$30,000	\$30,000
C	\$62,228	\$344,532	\$149,136
D	\$30,000	\$30,000	\$30,000
E	\$30,000	\$166,037	\$50,931
F	\$28,700	\$28,700	\$28,700
G	\$30,000	\$30,000	\$30,000
H	\$50,000	\$50,000	\$50,000
I	\$28,700	\$28,700	\$28,700
J	\$65,000	\$65,000	\$65,000