

Stop Loss paid claims analysis



How understanding catastrophic medical claim drivers can help plan your risk strategies

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ReliaStar Life Insurance Company and ReliaStar Life Insurance Company of New York, members of the Voya® family of companies

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Understanding what's driving costs and trends

As employers continue to experience rising medical costs and claim incidence rates, they will lean more on their brokers and insurance carriers to help them design appropriate Stop Loss contracts and cost containment programs.

When you understand the cost drivers and trends, you can more appropriately mitigate risk and set the proper medical plan funding.

We've used our data to provide you with a better understanding of Stop Loss claims and cost trends. As you consider appropriate individual and aggregate Stop Loss deductibles, please use this data to help plan the overall risk strategies related to your medical plan.

Largest Stop Loss claims

Many employers are surprised by how much one individual can incur in medical and prescription drug costs during a year. The table below demonstrates how the treatment costs can add up for these specific conditions for one individual in just one year.

Top ten largest Stop Loss claims (includes medical and prescription)	2018 allowed charges
1. Certain conditions originating in the perinatal period	\$4,608,799
2. Diseases of the respiratory system	\$3,634,059
3. Cancers (neoplasms)	\$3,621,364
4. Diseases of the digestive system	\$3,448,760
5. Congenital anomalies	\$3,145,552
6. Diseases of the musculoskeletal system and connective tissue	\$3,003,326
7. Diseases of the circulatory system	\$2,998,550
8. Infectious and parasitic diseases	\$2,983,619
9. Cancers (neoplasms)	\$2,918,809
10. Endocrine, nutritional and metabolic diseases, and immunity disorders	\$2,863,940

Conditions and complications arising from premature births accounted for two of the ten largest Individual Stop Loss claims in 2018.

Our Stop Loss insurance covers employers with a total of 2.3 million employees. The data included reflects policies effective January 2, 2017 with coverage through January 1, 2018 and claims completed through March 31, 2019.

Frequency of diagnoses per 10,000 employees

Now that we've seen a sample of how much an individual can incur in medical and prescription drug costs, let's look at how often these diagnoses can be found within a population.

Top 10 claims diagnoses categories & examples	Average paid claims cost by diagnosis category	Frequency per 10,000 employees
Cancer (breast cancer, myeloid leukemia, lymphoid leukemia, lung cancer)	\$450,648	4.5
Circulatory system (heart attack, heart disease, atherosclerosis)	\$438,269	2.0
Pregnancy/child birth/congenital anomalies Nervous system	\$725,563	0.9
Injury/poisoning	\$524,721	1.1
Genitourinary system	\$448,549	1.0
Infections and parasitic diseases	\$512,138	0.8
Digestive system	\$446,396	0.9
Musculoskeletal system (arthritis, fibromyalgia, osteoporosis)	\$319,999	1.1
Nervous system	\$431,884	0.7
Other	\$477,352	5.6
	Average cost: \$469,268	Total frequency: 18.6

Using the information in the table above, if a client has population of 3,000 employees, they might see upwards of \$2.6 million in high cost claims:

18.6 claims per 10,000 employees = 5.6 claims per 3,000 employees

5.6 x \$469,268 average cost = \$2,627,901 estimated high cost claims

Notable trends:

- Cancer claims continue to make up the largest number of claims submitted and also the largest percentage of total claims costs. Additionally, several of the largest claims submitted were cancer-related.
- Premature infants are the highest average paid claim cost.
- End Stage Renal Disease accounts for 5-6% percent of total claim costs and are also frequently submitted claims.

Individuals exceeding stop loss deductibles from

\$100K – \$750K

Have **increased** at an annualized rate of

7-11%

Per year from 2015 to 2018.

Deductible	Average annual growth rate in incidence
\$100,000	9.8%
\$150,000	10.3%
\$250,000	10.7%
\$500,000	7.3%
\$750,000	9.1%

Our comprehensive portfolio includes a variety of insurance products that work together to provide employees with benefits that can help them manage their expenses and feel better prepared to handle unexpected medical expenses.

Insured benefits

- Life Insurance
- Disability Income Insurance
- Critical Illness / Specified Disease Insurance
- Accident Insurance
- Hospital Confinement Indemnity Insurance

About us

Voya Employee Benefits a division of ReliaStar Life Insurance Company and ReliaStar Life Insurance Company of New York, offers a broad array of traditional group insurance products, voluntary benefits and value-added services to help meet the financial needs of employers and their employees. Insurance is provided by ReliaStar Life Insurance Company and ReliaStar Life Insurance Company of New York members of the Voya® family of companies.

Proven experience

More than 40 years of stop loss experience

Financial stability

Solid financial ratings from leading agencies that relate to an insurance company's ability to meet it's claims and guarantees.

Trusted in the marketplace

Named a 2019 World's Most Ethical Company® by Ethisphere Institute. Voya was one of five financial services firms and one of 128 companies overall to receive this esteemed global distinction.



For more detailed information, talk to your
Voya Employee Benefits sales representative.

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