

Experience Reward option with stop loss coverage

Stop loss



It's time to be rewarded for your group's good claims experience. With our Experience Reward option¹, a group with positive claims experience during a policy year can receive a refund under the Specific excess risk contract benefit.

Reward option highlights

- Group will be eligible to receive an experience refund equal to 25 percent of net profit.
- Net profit is calculated as 60 percent of Specific premium (net of commission), minus the sum of all Specific claims for the policy period.
- Refund check or premium credit will be issued six months after the benefit period as long as the group renews and has continuous stop loss coverage with Optum.
- Cost for this option is 5 percent of Specific premium.
- All groups are eligible and the option may be renewed at the group's discretion.

How it works

Here are examples of potential refunds with the Experience Reward option:

	No claims	20% net loss ratio	40% net loss ratio
Premium (net of commission)	\$250,000	\$250,000	\$250,000
Target shared savings ratio	x .60	x .60	x .60
Total	\$150,000	\$150,000	\$150,000
Less Specific stop loss claims	- \$0	- \$50,000	- \$100,000
Net profit	\$150,000	\$100,000	\$50,000
Refund percentage	x .25	x .25	x .25
EXPERIENCE REWARD	\$37,500	\$25,000	\$12,500
Percent of premium returned	15%	10%	5%

¹ Groups electing this option will receive a stop loss Experience Refund policy endorsement.

Benefits of reward option

- A tangible benefit for groups who:
 - Manage claims effectively
 - Take advantage of disease management, wellness and other medical management programs
- If premium credit is elected, groups with favorable experience may receive the equivalent of more than a full month's premium holiday
- Potential to earn a refund of up to 15% of Specific premium

Since the launch of the Experience Reward option in October, 2012, more than half of the employer groups who elected the option have received a reward payout.

The Optum difference

We merge the world of risk products with innovative approaches to managing health care costs and improving the health and wellness of those we serve. This combination provides our customers with a holistic approach to their stop loss needs, distinguished by our flexible options and value-added features that keep employers in control of their plans and employees in control of their health.



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*The Managed Transplant Program is insured by UnitedHealthcare Insurance Company.

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Stop loss insurance is underwritten by Unimerica Insurance Company. In California, stop loss insurance is underwritten by Unimerica Life Insurance Company, and in New York, stop loss insurance is underwritten by UnitedHealthcare Insurance Company of New York.

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