



How Does a Group Employee Benefit Captive Work

- You and other like-minded employers with similar risk profiles come together to form a preferred pool of self-funded benefit clients.
- To help control healthcare costs, all participants in the pool agree to use the same benefit philosophies and cost-management tools typically available only to larger self-funded clients.
- You each maintain your own plan, with your own benefit design, and are responsible for smaller claims your employees incur as well as the administrative fees associated with operating your own plan. When claims performance, as a result of applying cost-management tools, turns out better than expected, you keep 100 percent of the results.
- Mid-size claims are pooled together with the rest of the group to provide a shared layer of claim protection. If the claim experience of the more predictable low-cost, high-frequency layer turns out better than expected, you get to share in the results.
- The larger, more catastrophic claims become the responsibility of the stop-loss carrier.

Group Captive Structure

