

Mini-Med Pricing Considerations

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Agenda

- History & Growth
- Product Design Issues
- Markets
- Underwriting
- Rating

History & Growth

- Base hospital indemnity plans for rural markets by niche carriers
- Group broker & TPA fulfillment of part-time & hourly employee benefit needs for medium/jumbo employers
- Davis Bacon market fulfillment

Product Design Issues

- Indemnity nature
- First-dollar coverage
- Price-point design
- Low-to-high benefit levels
- PPO use
- Marginal expense-basis coverages
- Ancillary coverages (e.g. life, AD&D, etc.)

Markets

- Typical: Underinsured or uninsured part-time and hourly employees
- Buy-down from major medical
- Davis Bacon
- Others

Underwriting

- Short-form vs. Guarantee Issue
- Group size issues
 - Desire to stay clear of small group reform
- Contribution
- Viable employee/employer relationship
- Very few ineligible industries

Pricing & Rating

- Utilization rates by medical service category
- Benefit levels
- Market/group type
- Experience rating
- Typical lack of trend and area adjustments

Pricing & Rating

- Age ranges/sex/family tier
- Contribution
- Quoting (package vs. flexible) plan designs
- Turn-over ratio
- Underwriting & Pre-X enforcement