

PUBLIC SUBMISSION

As of: May 07, 2012
Received: May 04, 2012
Status: Pending_Post
Tracking No. 8100539c
Comments Due: July 02, 2012
Submission Type: Web

Docket: EBSA-2012-0025
Request for Information Regarding Stop Loss Insurance

Comment On: EBSA-2012-0025-0001
Request for Information Regarding Stop Loss Insurance

Document: EBSA-2012-0025-DRAFT-0004
Comment on FR Doc # N/A

Submitter Information

Name: David Anthony Powell
Address:
2660 East 32nd Street #100
Joplin, MO, 64804
Email: david@gotobmi.com
Phone: 417-782-1515
Organization: Benefit Management, Inc.

General Comment

I have been employed as a health benefits administration professional for 34 years and owned a TPA for 23 years. I work exclusively with partially self-funded (having stoploss coverage) and have also been a stoploss underwriter for Blue Cross. Self-funding has grown in popularity since the 1950s because it saves money for those who pay the cost of the benefits; employers and employees. Stoploss coverage is necessary for those employers who wish to self-insure to limit their risks at a level that is appropriate for their Plan. Specific and Aggregate coverage are usually necessary but aggregate claims are very rare. Stoploss carriers pool these excess risks and they must be profitable to stay in business. The competitive stoploss market works perfectly without government intervention because those who do not pay legitimate claims get sued and/or do not retain their business. Self-funded groups already exceed the goal of the 80/20 rule sought by health (insurance) reform and the typical administrative costs are 2-5%. The 13 questions asked in the RFI seem very elementary to me because I understand exactly why self partial self-funding and stoploss coverage work. I could write a chapter on each of the 13 questions but I will try to submit helpful information pertaining to each.

Attachments

July 3 006