



Navigating Rising Stop-Loss Premiums

Written By Laura Carabello

Many self-insured employers are seeing total health plan cost rising this year more than usual, with one of the contributors being rising stop-loss premiums. Experts had projected increases of well over 10%, with some employers now facing 20% or higher escalation. Some analysts anticipate these to be some of the largest increases in years, with certain median increases forecasted at about 11.5% for employers not changing deductibles, but potentially much higher if deductibles are not adjusted.

However, advisory firms contend that this is not a time to simply "throw up your hands" in defeat. There are many proactive steps that employers can take to control the costs that impact premiums when they become renewable.

COST-DRIVERS

There's little argument as to the factors driving stop-loss premium increases. Unpredictable, high-cost claims -- driven by specialty drugs and new gene therapies -- lead the discussion, prompting many stop-loss carriers to implement stricter underwriting rules and increase rates. Medical inflation is another culprit with hospital care, physician services and prescription drugs at the root of underlying medical costs. These dynamics have hardened the stop-loss market into a constricted phase, making single-digit rate increases for average risk less common and erupting with double-digit increases going forward.

There are multiple dynamics in play: advances in medical technology, expanded treatment options, and higher healthcare utilization with increased drug costs related to the continued pervasiveness of costly conditions. Financial services company Sun Life reports that employers saw a 29% increase in claims for \$1 million or more per million covered employees in 2024 compared to the year before – and a 47% increase in claims totaling \$3 million or more. These ballooning healthcare expenditures resulted in high-cost medical claims which, in turn, ramped up stop-loss premiums.

Tracking the increases, it’s obvious to see the trend:

- 2025 stop-loss rate renewal increases through Voya Financial were double the amount of 2024 increases, with the company citing a spike in the number of claims in the prior year.
- Segal records a 9.4% increase in average stop-loss premiums in 2024 among health plans they follow, with that increase rising to 11.5% for employers maintaining comparable coverage to the prior year as opposed to adjusting their coverage to reduce premium costs. Fewer than 0.2% of claimants tallied claims greater than \$250,000, but those claims accounted for 14% of all medical plan expenses.

Estimated Stop-Loss Premiums by Group Size (PEPM)

Group Size	Specific Premium (Low – High)	Aggregate Premium	Total Premium Range
50 Employees	\$90–\$150	\$10–\$18	\$100–1668
100 Employees	\$80–\$120	\$8–\$15	\$88–135
500 Employees	\$60–\$100	\$5–\$10	\$65–110

PEPM = Per Employee Per Month. Estimates based on typical stop-loss contracts for healthy groups with standard deductibles.

Source: Ethos Benefits

STOP-LOSS INDUSTRY PERSPECTIVE

For Robby Kerr, chief product officer, Tokio Marine HCC – A&H Group, which primarily serves employer groups with 200-1,000 ‘paycheck lives’ (not total number of belly buttons) as well as larger companies, forecasts that as healthcare costs continue to rise, stop-loss premiums will follow suit.

“Higher hospital costs throughout the healthcare system in the post-COVID 19 environment and the trend toward unlimited benefits prompted by Affordable Care Act (ACA) are the primary drivers,” he explains. “Nobody anticipated the crushing, long impact of COVID.”



Robby Kerr



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As a result, he projects a hardening phase in 2026, “...characterized by significant premium increases, stricter underwriting terms and an explosion in high-cost claims. Employers with self-insured plans will continue to face challenging renewal seasons. But we won’t know if we collectively did a good job in reducing high-cost claims in 2026 until we face 2027 premium increases.”

He attributes this hardening phase for the next several years to several factors:

- Frequency of claims per employee increasing at all stop-loss thresholds
- Continued gene and cell therapy FDA approvals
- Increases in the number of transplants, neonatal claims, cancer claims, etc.
- Many stop-loss underwriters viewed the cost plateau in 2021 and 2022 as credible experience, rather than the unique generational event that it was, thereby artificially suppressing stop-loss rates over the past few years

He attests that large claim severity has been increasing over the years at all claim thresholds. This is especially true for stop-loss claims exceeding 2 million dollars in reimbursements, with the average severity increasing to over \$3.1 million in both 2023 and 2024. What was once considered a catastrophic and rare claim has now become more commonplace.



Source: Tokio Marine

“The uptake of expensive weight loss GLP1s and rising costs of specialty drugs are also key contributors to higher-dollar claims,” he continues. “Interestingly, while gene therapies have not been utilized as much as previously expected, cellular therapy expenses continue to grow at an unprecedented pace. Price tags of \$750,000 or over \$2 million should be on the employer’s radar screen.”

In 2026, he foresees that cell therapies will not be strictly limited to fourth-line treatment. Instead, they are increasingly being approved and used in earlier lines of therapy, specifically for certain blood cancers. As they become a more integrated and earlier part of treatment paradigms, they are likely to move beyond their "last resort" status, offering significant hope for patients with limited options and saving money on treatments that don't work.

He also predicts a major shift for 2026 with the decentralization of cell therapies, adding, "More treatments are moving from inpatient hospital settings to outpatient clinics and even potentially the home, thanks to advances in remote monitoring. This shift, combined with improved manufacturing processes, will make these therapies more accessible to a wider patient population."

Collectively, the rapidly rising costs of care have insurers responding with higher rates and stricter terms, highlighting the need for strong underwriting discipline and careful risk selection by carriers. But Kerr remains optimistic about opportunities in the stop-loss industry and the potential of AI and data management to revolutionize processes.

"We should not expect that AI will replace human decision-making, but it has the potential to significantly supplement human capabilities and enhance the role of professionals to process more data and make more informed risk decisions at a more rapid pace," says Kerr. "Technology is simply a tool but the relationships and partnerships between employers and stop-loss companies are the strong foundation to navigate market challenges."



Rachel Miller

Rising stop-loss premiums continue to be a challenge for Crum & Forster (C&F) and the industry, attests Rachel Miller, RHU, VP – MBU Programs, Crum & Forster's A&H Division, adding, "With the growing demand for specialty drugs, including GLP-1 weight-loss and diabetes medications, and other new therapies on the market, employers and insurers are seeing an uptick in high-cost claims. At C&F, we believe innovation is key."

She says rate caps can help employers achieve greater predictability and budget stability, ...but they can also lead to higher initial premiums or stricter underwriting by stop-loss insurers. Rate caps should be carefully structured to help balance predictability with financial stability for both employers and insurers. We're committed to applying a hands-on, collaborative approach and tailored solutions to help

our partners navigate rising healthcare costs and an evolving landscape."

STRATEGIC OPPORTUNITIES TO CONTROL COST

Today, there are numerous strategic options to control costs and mitigate the impact, as employers will be tasked to initiate a proactive and strategic approach to plan management and carrier negotiations. Instead of passive acceptance of the status quo, employers can implement several strategies to manage costs.



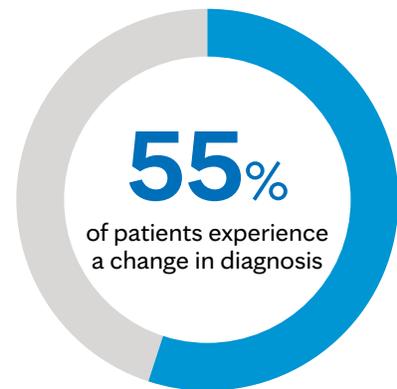
Aarti Karamchandani

Aarti Karamchandani, chief growth officer, MacroHealth, observes, "As stop-loss premiums continue to rise at a fairly consistent rate, employers must look elsewhere for savings to mitigate this steady, predictable increase. Employers can create a strategic plan focused on steering members to high-quality, lower-cost providers at the point of care to mitigate medical inflation. Rising pharmaceutical costs are a great place to start. Optimize



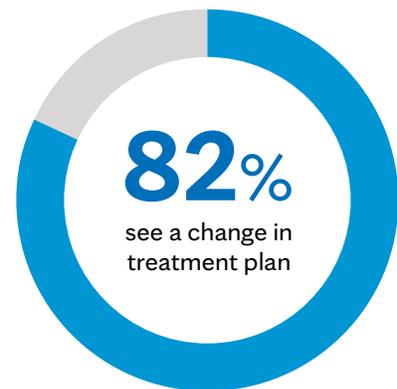
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high-cost specialty pharmacy spend, like GLP-1s, through targeted interventions, stabilizing risk pools while maintaining comprehensive coverage."

Miller explains that the Crum & Forster Stop-Loss team applies a strategic risk management approach that includes collaborative underwriting, data transparency, and the adoption of new pricing tools and strategies to help optimize outcomes. This includes:

- Utilize aggregate and specific stop-loss deductibles to better manage large and unexpected claims.
- Apply portfolio-analysis and modeling tools to identify claim cost drivers, trends, and opportunities to maximize results.
- Continue to build upon existing suite of approved vendors and partners to help ensure the inclusion of leading, targeted cost containment solutions to help enhance member access and control expenses.

DATA ANALYSIS

Data analytics are critical to understanding specific conditions or high-cost members in order to initiate targeted interventions. Utilizing data and technology to provide better insights enhances predictability and makes self-funding more viable and less risky.



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“As stop-loss premiums climb, and organizations confront the persistent challenges of rising healthcare costs, self-insurance stakeholders need clinically grounded, explainable predictions that improve insights and risk stratification for greater precision in stop-loss rating and underwriting,” says Rajiv Sood, GM Insurance & Risk Business, Evidium. “Recognizing that the time has come to think differently and not simply confront the same issues

year after year with the same tools and methods, Evidium pioneered the development and implementation of a unifying AI platform that dramatically transforms the old paradigm of runaway healthcare costs. The goal was to make medical knowledge accessible, usable and extrapolative to better analyze risk for the many conditions that are growing in occurrence and cost while choosing appropriate care management and care navigation channels to improve both clinical and financial outcomes.”

Fast forward to a platform that turns clinical evidence and real-world data into a shared, computational foundation. This breakthrough structure heralds a new category of solutions that connects the science and practice of medicine with the economic realities of delivering high quality care. In an industry that too often finds itself repeating the same old cycles, these capabilities move employers and other risk-takers from merely wishing for change to taking decisive, evidence-driven action.

“This approach represents a reliable risk management strategy that enables healthcare and other organizations to understand patient journeys, predict clinical trajectories and costs and improve clinical and financial outcomes with clarity and confidence,” emphasizes Sood.

At a minimum, Sood says the use of advanced data analytics and AI allows for proactive risk management and targeted interventions to mitigate high-cost claims which are the primary drivers of increasing stop-loss premiums.

“Anticipating and calculating risk before it appears, rather than reacting to premiums after the fact, allows for earlier identification and methodical evidence-based intervention, which enables organizations to shift from reactive renewal cycles to forward-looking risk management,” he advises.

A computational medical knowledge platform fills a market gap for risk-bearing and other organizations to manage both clinical and financial risk with confidence. At a minimum, it is the catalyst for identifying high-risk members that are likely to incur high-cost claims before they occur.

“The objective is to enhance underwriting accuracy and support the efforts of stop-loss carriers to assess risk with greater precision,” says Sood. “Employers who can provide detailed, data-driven insights into their populations can design better and more effective benefit structures, as well as potentially negotiate more favorable stop-loss premiums by demonstrating effective risk management and adopting new approaches to underwriting, care management and provider partnerships, among others.”

Moreover, accurate clinical predictions allow care managers to focus resources on individuals who need them most.

“These data insights can benefit the entire stop-loss ecosystem including employers, carriers, TPAs and others making greater stakeholder transparency the cornerstone of successful joint efforts to better manage both care and cost, helping meet both clinical and financial goals,” he concludes.



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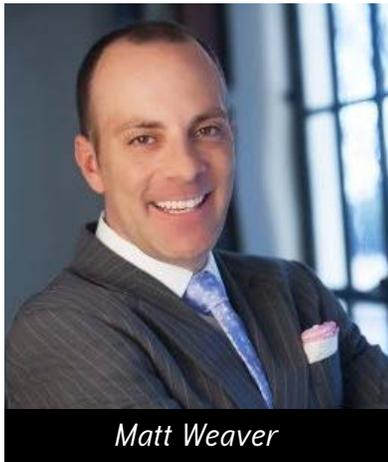
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Matt Weaver

“For decades, risk management in self-funded health plans has relied upon lagging indicators, manual analysis, and broad assumptions,” shares Matt Weaver, senior sales director, Gradient AI. “Today, artificial intelligence (AI) is fundamentally shifting that paradigm, enabling employers and risk partners to move from reactive protection to proactive strategy amid rising cost and increasing volatility.”

Weaver maintains that by applying advanced machine learning to claims and clinical data, AI delivers actionable insights at both the population and member level. This enables more precise decisions around aggregate and specific stop-loss deductibles, grounded in predictive severity modeling rather than historical averages, trends or industry benchmarks alone. Advanced claims analysis identifies emerging high-cost conditions earlier, flags opportunities for targeted intervention, and even

has the capability of measuring the effectiveness of cost containment strategies.

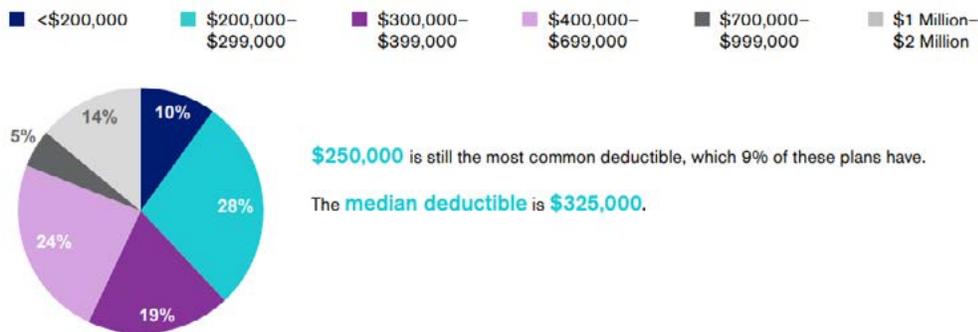
“These insights directly inform smarter plan design, smarter risk taking and smarter precision pricing,” he explains. “Employers use data driven analysis to evaluate the true impact of high-deductible structures, optimize cost sharing, and better align incentives with member behavior. Wellness programs evolve from broad initiatives to targeted clinical and behavioral interventions, while direct primary care arrangements are assessed using near real time utilization and outcomes data.”

The result is a shift from static plan management to dynamic risk optimization, as Weaver adds, “With advanced analytics as the foundation, stakeholders gain greater clarity and control, supporting smarter decisions that protect both financial performance and member health in an increasingly complex stop-loss marketplace.”

PLAN DESIGN EVALUATION

Many opportunities for change are under consideration, such as adjusting deductibles or out-of-pocket maximums, balancing cost-sharing with employee affordability or exploring hybrid designs that may include high-performance networks. Many employers are negotiating favorable stop-loss contract terms, including rate caps or limits on how much premiums can increase at renewal or prohibiting carriers from adding specific exclusions for high-cost members at renewal – often termed “no new lasers.” This may necessitate introducing higher deductibles.

Specific stop-loss deductibles continue to vary widely, from \$80,000 to \$2 million.



Source: 2025 Segal

REDESIGNING DRUG FORMULARIES

Employers are pointing workers toward pharma direct-to-consumer (DTC) programs as they drop coverage for certain drugs. GLP-1s are a prominent target, as HCA Healthcare, one of the largest hospital systems in the U.S., recently informed employees it would stop covering blockbuster obesity drugs Zepbound and Wegovy next year and directed them to programs set up by Eli Lilly and Novo Nordisk.

MORE AGGRESSIVE VENDOR MANAGEMENT

All stakeholders are bracing for restraints, as employers renegotiate contracts with third-party administrators (TPAs) and pharmacy benefit managers (PBMs) to achieve better transparency and performance guarantees. CBIZ recommends holding quarterly strategy meetings with vendors and establishing a clear communication protocol, especially around high-dollar claims. Real-time collaboration between employers, third-party administrators (TPAs), brokers, and carriers helps avoid claim issues and coverage gaps.

EMPLOYEE BENEFITS CAPTIVES

Employer participation in employee benefits captives can generate even greater transparency and cost control, say the consultants at Conner Strong & Buckelew. These innovative solutions allow like-minded employers with 100 to 500 employees to form and manage their own insurance entity. Rather than paying premiums to an insurance company, the employers contribute to a shared pool for stop-loss coverage.

As members of a captive, employers retain the profits when claims are low and share the financial impact with other captive members when claims experience is higher than expected. However, since the stop-loss premiums are based on the claims experience of a pool of employers, rather than a single employer, organizations in captives may benefit from best-in-class stop-loss contractual terms (including no-new lasers and rate cap provisions) and are not likely to experience the drastic stop-loss premium volatility that can occur when self-insuring on their own.

Crum & Forster offers captive solutions to meet the varying needs of their clients as Miller explains, “We enjoy engaging with our captive members, providing hands-on support and education. Captives can offer greater control over risk, potential cost savings, and access to reinsurance markets. The decision to leverage a captive depends on the organization’s risk appetite, capital resources, and long-term objectives. Our approach is to be flexible and offer tailored solutions based on each organization’s goals and risk profile.”

831(b) Captives

An 831(b) micro captive is a small insurance company structure that allows employers to set aside tax-deferred funds to cover specific under or uninsured risks. This can range from dispute resolution or business interruption to warranties, gaps and exclusions, deductibles and more. For self-insured healthcare plans, Van Carlson, founder & CEO, SRA 831(b) Admin explains that it does not replace stop-loss insurance; rather, it works in addition to it by addressing a critical exposure known as the claims corridor.



Van Carlson

“Here’s how it works: employers with self-funded plans typically budget for expected losses and purchase stop-loss coverage to protect against catastrophic claims,” instructs Carlson. “However, between these two layers lies the corridor—unexpected claims that exceed expected losses but fall short of the stop-loss attachment point. When this happens, employers must pay out-of-pocket, which can significantly impact cash flow and even lead some to abandon self-funding.”

Carlson says an 831(b) micro captive provides a solution by funding this corridor with tax-deferred dollars, adding, “Over time, surplus reserves can accumulate, enabling employers to increase deductibles, reduce aggregate premiums, or even eliminate certain layers of stop-loss coverage. Additionally, if claims come in below expectations, underwriting profits can also be contributed to the 831(b) Plan, strengthening the long-term strategy. For self-funded healthcare plans, leveraging an 831(b) Plan is a proactive way to manage volatility, protect against corridor risk and maintain the financial advantages of self-funding.”

ONGOING CLAIMS AND PHARMACY AUDITS

Audits are also a preferred avenue to ensure payment integrity. Bruce Roffé, P.D., M.S., H.I.A., president and CEO of H.H.C. Group, a healthcare consulting firm he founded in 1995, recommends, “These audits play a critical role in payment integrity, but their value can be viewed from several different perspectives.”

1. Financial Perspective

- **Cost Savings:** Continuous audits identify overpayments, duplicate claims, and billing errors early, preventing financial leakage.
- **ROI Justification:** Every dollar spent on auditing typically returns multiple dollars in recovered or avoided costs.
- **Trend Analysis:** Helps detect patterns of fraud, waste, and abuse that could lead to systemic savings.

2. Compliance & Regulatory Perspective

- **Regulatory Adherence:** Ensures compliance with CMS, ERISA, and state regulations, reducing risk of penalties.
- **Audit Trail:** Creates documented evidence of due diligence for internal and external audits.
- **IDR Readiness:** Supports accurate data for Independent Dispute Resolution cases under the No Surprises Act.



Bruce Roffé



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3. Operational Perspective

- **Process Improvement:** Identifies inefficiencies in claims processing workflows and pharmacy benefit management.
- **Vendor Oversight:** Validates PBM performance and adherence to contractual terms.
- **Data Quality:** Improves coding accuracy and reduces downstream errors.

4. Member & Provider Relations Perspective

- **Fairness & Transparency:** Builds trust with providers and members by ensuring accurate payments.
- **Dispute Reduction:** Minimizes disputes and appeals by catching errors before payments are finalized.
- **Improved Experience:** Reduces member confusion over incorrect billing or pharmacy charges.

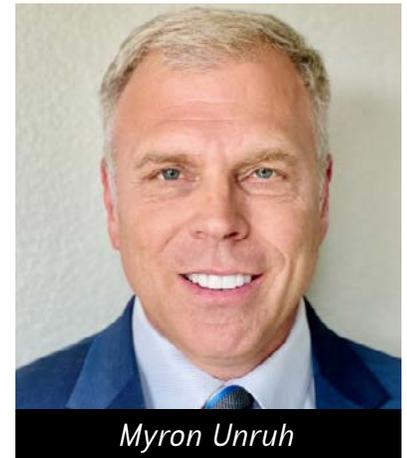
5. Strategic Perspective

- **Risk Mitigation:** Protects against reputational damage from fraudulent or erroneous payments.
- **Predictive Insights:** Ongoing audits provide data for predictive modeling to prevent future errors.
- **Competitive Advantage:** Demonstrates commitment to cost containment and integrity, appealing to TPAs, reinsurers, and health plans.

ADDRESSING RISING STOP-LOSS PREMIUMS IN BEHAVIORAL HEALTH

“Organizations must move beyond reactive utilization management and adopt proactive strategies,” says Myron Unruh, LPC, chief operating officer, MINES and Associates. “Traditional utilization management helps control costs and secure discounted services, but it does not prevent high-cost events.”

Unruh suggests that a more effective approach is condition management, “...which reduces expenses while improving quality of life for members. Our experience shows that targeted management for conditions like bipolar disorder is highly impactful due to its lower prevalence but high acuity. Using data mining and risk stratification, we ensure outpatient appointments, create crisis plans, and provide ongoing support. These steps help prevent costly psychiatric hospitalizations and promote long-term stability.”



Myron Unruh

PROACTIVE HEALTH MANAGEMENT

Investments in well-being programs, chronic condition management and preventive care incentives deliver multiple benefits. Preventive care incentives, such as those for annual screenings or physicals, allow for early detection of conditions that are far less expensive to manage than late-stage diseases. Pre-emptive management of existing chronic conditions prevents complications that often result in catastrophic high-cost claims.



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As employers tackle obesity care, face extraordinary costs for GLP1s and see these costs reflected in higher stop-loss premiums, here is a newly announced program from Weight Watchers that has the potential to mitigate the challenges:

Weight Watchers Med+ is the company's dedicated GLP-1 medical program, providing members access to board-certified physicians and a coordinated care team who specialize in obesity and metabolic health. These clinicians write prescriptions for GLP-1 medications for eligible members and offer ongoing medical guidance throughout treatment. What truly sets Med+ apart is that every member prescribed GLP-1s also receives the full GLP-1 Success experience—a structured behavioral, nutritional, and lifestyle support program that research shows achieves better results on medication.

GLP-1 Success program is built around the real needs of people using these medications. Members receive personalized nutrition guidance to help them meet important macronutrient goals, tools to track weight loss and medication doses, strategies and support for managing side effects, and strength-building plans to help preserve muscle mass. The program also provides access to expert coaches trained in GLP-1 support, and virtual community groups with others on a similar journey. By pairing medical care with the GLP-1 Success framework,

RETHINKING STOP-LOSS WITH ADAPTIVE CAPITAL

Defined as flexible, innovative financing solutions that adjust to the unique cash flow and risk needs of healthcare businesses, especially self-insured employers, adaptive capital provides quick reimbursements to bridge coverage gaps and manage high-cost claims.

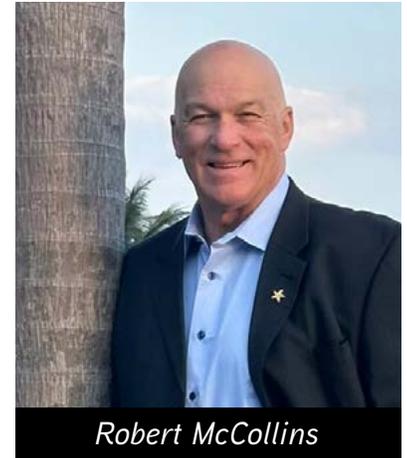
In essence, this option provides smart financing for employers to move beyond traditional, rigid models to ensure financial stability and support growth. It is financing to address volatility, mitigate the unpredictability of high-cost claims and allow employers to manage budgets without sudden, large drains. The result is improved cash flow with immediate reimbursement for claims, eliminating lag time and freeing up capital for other business needs, like payroll or investment.



Miller says adaptive capital funding is an essential consideration in today's dynamic risk environment, noting, "Crum & Forster regularly assesses our capital management strategies to ensure we have the flexibility to respond to emerging risks and market volatility. This includes maintaining adequate reserves, exploring alternative risk transfer mechanisms, and aligning our capital structure with our long-term financial goals. By adopting a proactive and adaptive approach, we aim to support the organization's financial health and sustainability."

WILL STOP-LOSS PREMIUMS EVER COME DOWN?

"This might be a bit controversial, but did we not pay attention to the warning signs of increasing claims and the resulting hard market for stop-loss premium increases?" asks Robert McCollins, chief community organizer, Employers Healthcare Alliance (EHA), a non-profit managed 'employer built by employers for employers and their work families.' "The old process of spreadsheeting for low rates is out. A new success formula built on data aligned with strategic and consultative advising is emerging. Our benefit advisor partners are not chasing the lowest price—they seek fair, sustainable, and reasonable stop-loss terms aligned with long-term plan health."



Robert McCollins

He says that this starts with strong clinical risk management identifying potential high-cost claimants early and coordinating action among all employer plan service providers across both medical and prescription drug risks.

"Advisors who are successfully educating employers and implementing proven strategies such as captives, transparent PBMs, reference-based pricing, direct contracts and DPC will set the employer up to win," adds McCollins, who leads the EHA to provide support for HR/Business Professionals who desire the BEST healthcare for their workplace through a peer community, educational programs and actionable resources and solutions that are easy to implement and use.

"These approaches meaningfully reduce overall claims volatility which directly influence stop-loss outcomes," he continues. "This is no longer a transactional sale—it demands a consultative, strategic business-driven approach."

As the number and scale of large medical claims continue to climb in recent years, stop-loss market experts anticipate a parallel increase in premiums for stop-loss policies, which safeguard employers against unusually high health plan costs. In fact, the multinational insurance company Tokio Marine Group reports a 1,251% increase in the frequency of stop-loss claims exceeding \$2 million since 2013.

Despite these increases, Daniel Davey, Senior Vice President and National Director, Stop-Loss MGA at Alliant, explains. "Carriers have so far been unable to transfer most of the rising claims costs to customers, as competition in the market remains strong, with more players entering the space with traditional stop-loss coverage."

Economic pressures throughout the marketplace send a strong signal that employers should start preparing for higher stop-loss premiums as carriers adopt stricter underwriting practices. Plan sponsors will need to demonstrate that their health plan is effectively managing high-cost claims and double down on their efforts to scrutinize both the carrier and policy terms to ensure that the organization is getting the protection it needs and expects.

Remodel Health reports that stop-loss premiums typically range from \$50 to \$150 per employee per month for specific coverage, with aggregate stop-loss coverage adding an extra \$5 to \$15 to the base cost. Total costs can skyrocket depending on the number of employees in an organization, their risk of high claims, and other factors.

Segal's 2025 National Medical Stop-Loss Dataset found that stop-loss coverage premiums increased an average of 9.7% for groups with similar coverage levels as their 2024 policy. Those who increased specific or aggregate stop-loss deductibles, resulting in a reduced rate, experienced an average increase of 7.3%.

Annual stop-loss premium increases from 2022 to 2024

Individual stop-loss deductible amount	Premium rate increase
100,000	10.4%
\$200,000	11.6%
\$300,000	12.2%
\$400,000	12.7%
\$500,000	13.1%
\$750,000	13.8%

Source: 2024 Aegis Risk Medical Stop-Loss Premium Survey

Additional stressors come from regulatory changes, although in late December 2025, the US House of Representatives passed the Lower Health Care Premiums for all Americans Act bill, a package that includes proposals that some employers and benefits advisors have long been advocating. One provision of the bill clarifies that stop-loss insurance is not recognized as traditional health coverage, aiming to preempt state regulations and help small employers self-fund health benefits. However, the bill faces wide debate over market impacts and potential coverage loss.

STRENGTHEN YOUR STOP-LOSS STRATEGY

While stop-loss premiums are increasing, self-insured employers are advised to at least consider purchasing the coverage, counsels Michael Tesoriero, a senior vice president and health consultant at Segal. "Any employer that's self-insuring without any form of stop-loss is basically taking on all the risk, from the first dollar up until infinity," he recently said. "Businesses with between several hundred and several thousand covered employees and dependents are most likely to utilize stop-loss when they are self-insured."

A recent study by the Employee Benefit Research Institute (EBRI) examining self-insured employers found that those with 100 to 999 employees were most likely, by far, to purchase stop-loss, with 93% of them using the coverage in 2023 — compared to 60% of businesses with 1,000 or more employees and 63% with 25 to 99 employees. Those numbers drop significantly, to one-third or lower, for organizations with less than 25 employees. EBRI suggests the drop in numbers for small employers may be due, in part to a reduced understanding of how the coverage works.

Employers and benefits professionals tasked to determine the value of purchasing stop-loss insurance are advised to request more than a premium quote from their brokers. Proposals should reflect careful examination of clinical and cost modeling opportunities that incorporate design characteristics, medical trends, emerging treatments such as gene therapies, specialty medications and plan utilization data. This should result in dynamic, data-informed decision-making that customizes a stop-loss policy to your organization's unique risk profile, cost tolerance and long-term benefits strategy. ■

About the Author

Laura Carabello holds a degree in Journalism from the Newhouse School of Communications at Syracuse University, is a recognized expert in medical travel and is a widely published writer on healthcare issues. She is a Principal at CPR Strategic Marketing Communications. www.cpronline.com

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