

# OUTSIDE the Beltway

written by Dave Kirby



## SIIA Members Rally to Support Stop-Loss in New York

SIIA members and staff continued their several years-long quest to maintain and permanently restore stop-loss insurance availability for self-insured New York employee groups of 51-100 with a Lobby Day round of meetings with legislators and regulators in Albany. Despite a notable challenge, they left the New York capital with a modicum of encouragement.

“Nobody can predict with any certainty what a state government will do, but our message was heard and understood by key members of New York’s government,” reported Adam Brackemyre, vice president of state government relations.

A 2016 New York law denied new stop-loss policies to groups of 51-100, putting the state in a lone minority of one as all others have assured that availability. SIIA was instrumental in gaining a two-year grandfather period for existing stop-loss plans that expires at the end of this year. Further, SIIA has initiated bills to set the permanent minimum stop-loss policy at 51 members; that bill was passed by the NY Senate and now awaits action by the Assembly.



Bob Madden

The challenge SIIA faced in the recent round of Albany meetings was a report commissioned by the Assembly from insurance industry consultant Milliman that, when delivered earlier this year, lacked any New York-specific data that legislators were waiting to see. “That was the challenge that we intended to address by putting self-insuring employers and industry members into direct contact with key legislators,” Brackemyre said.

Participating in 15 meetings with members of the New York Assembly were SIIA members Allied Benefit Systems, AmWINS, The Guardian Life Insurance Company, Lawley Benefits, Leading Edge Administrators, Tokio Marine HCC and York International Group.

Bob Madden of Lawley Benefits, a broker serving employers in New York and surrounding states, says he is puzzled by the New York legislature’s reluctance to allow stop-loss policies for groups of 51-100.

“I would think New York would encourage employers to stay in the state rather than risk seeing them move across a border such as Pennsylvania’s to gain more complete

insurance options,” he said. “New York could be losing out on premium taxes and its general economic health.”

If New York disallows stop-loss coverage for existing plans and prevents new policies, the New York self-insurance community would be thrown into chaos, said Mindi Smith of Stop-Loss Insurance Services, an AmWINS Group Company, wholesaler of stop-loss policies from multiple carriers to the New York market. “Comparable coverage would be impossible for employers to find in the traditional commercial market,” she said.

Participating in her first SIIA Lobby Day event, Smith reported that Assembly members on the meeting schedule seemed to “get it” in their small group sessions with the SIIA delegation. “I asked Assembly members who are not co-sponsors of the bill how they felt about it after our meetings and most seemed on board with us,” she said. “But we know this is just one step in a continuing process through this year,” she said. “Our company will follow up by encouraging clients and employers to make sure their legislators know how important this issue is to their employee health plans.”

The lack of New York-specific information in the Milliman study was puzzling to many industry members for its inclusion of points that have in the past been made by some self-insurance opponents in the traditional full-insured benefits industry. An example was Milliman’s assertion that disallowing stop-loss policies in the small group New York market would have the effect of lowering fully-insured premiums. But without New York-specific data, there was no basis offered for that conjecture.

Reports filtered in from SIIA members that some offered to provide stop-loss data when the survey was launched, but apparently no one on the consultant firm was receptive to information from anyone involved with the New York stop-loss market.

David Kane of York International Agency estimates that if the stop-loss ban for groups of 51-100 stands, smaller groups would be facing doubled or tripled benefits costs.

*“New York would become the only state in the country to hold to the 100-member minimum for this purpose,”* he said.

Kane noted that in visits with legislators in Albany, stop-loss insurance does not appear to be a partisan issue.

“We didn’t get the feeling that Democrats see this as a Republican ‘big business’ matter,” he said. “Legislators know that most businesses have fewer than 100 employees. I spoke to a representative from Queens about a company employing 75. He said, ‘That’s a big business.



David Kane

It shouldn't be forced to buy insurance in just one way, without options."

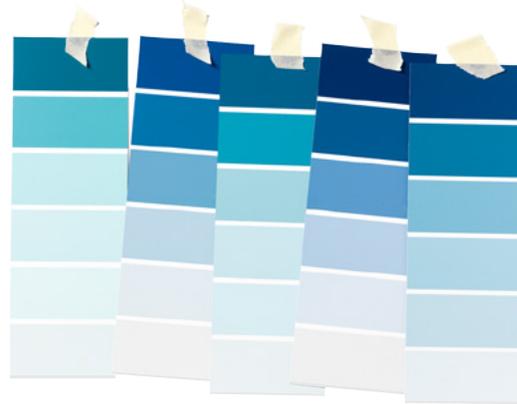
Kane said SIIA members were encouraged by the level of interest in their issue reflected by leading members of the Assembly Insurance Committee and their staff. "We had the opportunity to meet with staff members who may not previously have had the opportunity to learn about small business health benefits, and we were able to give them a clear and deeper understanding of the issue."

David Antalek of Allied Benefit Systems, a national TPA serving many New York employers, believe it's vitally important to permanently restore the availability of stop-loss insurance to groups in the 51-100 range. "With health costs out of control, employers need any ability for more access and more transparency," he said. "Health plans are huge line items for employers, and we believe events such as the Albany Lobby Day are the best way we can serve our clients and our future clients in that space."

Antalek said that most New York legislators on the SIIA group's meeting schedule appeared to be "on board" with SIIA's goal. "Some seemed surprised to learn that New York could end up as the only state putting employers under this restriction," he said.

SIIA continues to be in contact with New York Assembly leaders, with the goal of passing legislation to protect the self-insured plans of employers in the 51-100 range before the deadline at the end of this year. Members can learn how to participate in grassroots advocacy from Adam Brackemyre at the Washington, DC, office, (202) 463-8161 or [abrackemyre@siaa.org](mailto:abrackemyre@siaa.org). ■

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