

OUTSIDE the Beltway

written by Dave Kirby

SIIA Members Support Stop-Loss In Washington State Meeting

A delegation of SIIA members recently visited the colorful and historic city of Olympia, capital of Washington at the southern end of Puget Sound. It wasn't a pleasure trip.

At stake was stop-loss insurance for self-insured employee health plans as it is ordinarily practiced. New Washington policy guidelines would jeopardize elements of stop-loss including lasering and advanced aggregate funding that help employers provide high quality health care for their employees and dependents.

The SIIA delegation came away from the meeting with cautious optimism as regulators asked for further information and indicated they would initiate a data call among the state's stop-loss carriers and self-insuring employers to assess current practices.

Participating in the meeting led by **Adam Brackemyre**, SIIA Vice President of State Government Relations, were **Michael Fry** and **Julie Bodmer** of Symetra, **Catherine Bresler** of Trustmark, **Mike Kemp** of Swiss Re, David Fry of Voya, and broker **Bob Bentley** of Albers and Company.

"Our objective was to help educate the key staff members of the Office of Insurance Commissioner (OIC) about a specific line of insurance that, to our knowledge, is not the subject of consumer complaints," said **Brackemyre**.

SIIA's message included real-life examples of the practice of lasering as an alternative method to finance anticipated costs for employees or dependents with known extremely high-cost health conditions, and on advanced aggregate funding as a way to help plan sponsors spread their annual risk to better match up with their revenue flow.



Mike Kemp

"I would rate the threat of these guidelines to disrupt the industry as about an eight," said **Mike Kemp**,

the Enfield, CT, head of accident and health insurance in North America for Swiss Re. Kemp flew the width of the country to participate in the same kind of process that helped to moderate a similar regulatory process in Connecticut within the last couple of years.

Kemp said the response of the OIC staff became noticeably warmer over the course of the meeting as the SIIA delegation provided positive examples of how current stop-loss insurance practices benefit employees and plan-sponsoring employers alike. "It nearly always helps to sit down around a table with regulators to work on resolving these kinds of issues," he said.

Kemp said that several years ago he advised SIIA leaders to increase the organization's focus on state regulatory and legislative issues that can affect the self-insurance industry to an equal or greater extent than federal governance. "I think it's working out well," he said. "SIIA is working harder on state issues with, I believe, positive trending results."



Catherine Bresler

Catherine Bresler, vice president of government relations for the Trustmark Companies of Lake Forest, Illinois, noted,

“This is part of a terrific process. I’m a big fan of coalition building regarding regulation and legislation. I thought our delegation was comprised of just the right people to represent our industry and serve the best interests of people in Washington. Included in our group were a couple of insurance experts and a broker who really knows the business there.

“It was good to walk in with a very respectful and educational approach, and I sensed that was appreciated by the regulators,” Bresler commented. “There remains a lot of work to do but I think this was a great start.”

Michael Fry, executive vice president of the Benefits Division of Symetra Life

Insurance Company of Bellevue Washington, was among the in-state representatives at the meeting. He believes the OIC regulators were attentive to the health coverage needs of the state’s employees. “Their commitment to protecting the citizens of Washington was clear, and they told us at the end of the meeting that they don’t want to issue guidelines that are inappropriate. We know they could have issued guidelines arbitrarily and made us live with them, but that’s not their approach,” he said.

Fry said that members of the SIIA delegation benefit from such cooperative advocacy. “Some of us compete with each other on a day-to-day basis but it was beneficial for all of us to present our case with a united front under the SIIA banner,” he said.

Following the Olympia meeting, **Brackemyre** sent a letter to the OIC that provided further detailed information to support continuation of current stop-loss insurance practices. SIIA will stay in touch with the OIC data-gathering process and initiate further meetings when possible. ■

SIIA members who wish to join the state government relations advocacy team are invited to contact Adam Brackemyre at the Washington, DC, office, (202) 463-8161 or abrackemyre@siiia.org.



Michael Fry

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