

# APLUS Captive: Frequently Asked Questions

## What is APLUS?

APLUS is a group captive program that is formed by a group of organizations to help insure each other's risks through a health plan. APLUS is specific to AssuredPartners and their clients and sits within the ALPHA captive. ALPHA is an alternative to the traditional insurance market and is managed and owned by its policyholders.

## What other types of companies are members?

Companies like you! Although the geography and industry of the companies will vary, ICS partners with best-in-class employer groups. We target entrepreneurial companies that care about the health and well being of their employees and understand risk for reward. Companies in APLUS/ALPHA desire peer group support and the accountability provided by the captive community.

## What are the benefits?

Well run captives provide stability, control, and transparency on a monthly basis while reducing the cost of insurance. Companies can realize premium returns and underwriting profit based upon their performance. This program provides accountability, simplicity, the sharing of best practices, and access to clinical tools unavailable to them in the traditional market.

## What is the profile of an ideal captive candidate?

Ideal captive candidates will have 25+ covered employees on their health plan and desire control over their health insurance expense. Candidates will have above average demographics, good historical renewal experience, and a focus on employee well-being. Strong corporate leadership is important to the member's success.

## How are premiums determined each year for each participant?

Underwriters produce premium based upon demographics, plan design, and renewal history. Each group is underwritten individually to determine premium equivalencies which include max funding, stop loss premiums, and administrative expenses.

## Do I get my premium back?

Members only pay for claims that happen. If the premium is greater than the claims paid, then premium funding will be returned to the member.

## Does APLUS/ALPHA require the use of certain networks and Third-Party Administrators (TPAs)?

APLUS/ALPHA members are required to utilize Allied as the Third-Party Administrator for the program. This solution is bundled and turnkey for members to join and have access to Aetna and/or Cigna as the underlying network.

## What clinical risk/wellness requirements does APLUS/ALPHA have in place?

Requirements are determined by the members of each captive program. Wellness activities are encouraged, and ICS can provide health management strategies and vendors in addition to your broker.



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## What is the time commitment expectation for members?

There will be expectations that ALPHA members participate in quarterly member calls (3x per year) and attend an annual, virtual captive member meeting. There may also be opportunities for leadership that will require some additional, minimal time commitments.

## Could a member be asked to leave APLUS/ALPHA?

Members can be removed if there is a significant change to the group's demographics and/or their claims experience. Removal from the program is rare, but it is a possibility.

## What happens if a participant wants to leave the program?

It is very easy to plan and execute an exit from a group captive insurance program. Typically, once businesses begin to experience the financial benefits they choose to remain.

## Once my company is part of APLUS/ALPHA, can my premiums fluctuate?

Yes, but rates remain stable. Captive members are insulated from traditional market swings and your premiums are determined by your individual business' loss history, risk profile, or employee demographics.

## Do I have to pay for the losses/claims of other members?

There is a possibility for members to share in the losses of another member. However, group captives purchase reinsurance and stop-loss coverage to limit the amount of risk sharing. The purpose of the captive is to take turns having good years and bad years in order to reduce the volatility that is often experienced in the traditional market.

## Are there lasers in APLUS/ALPHA?

The ALPHA program is setup to renew on a No New Laser policy. Each group is individually underwritten with Skyward, the stop loss carrier on the program, and groups will be responsible for funding appropriately based on the AI underwriting results.

## How does the AI underwriting work with Skyward?

Skyward takes a member or dependent level census and uses a version of Gradient AI alongside traditional underwriting resources. The primary purpose of the AI underwriting is to identify current and ongoing risk associated with a group's plan.

## How does APLUS/ALPHA handle Rx?

ALPHA partners with US-Rx as the Pharmacy Benefit Manager for the entire program. 100% of Rx rebates will be setup as a pass-through to the members – this will vary based on Rx utilization by each member. The specialty Rx management program is included as an extension of US-Rx platform.

