

Available Options Help Control Insurance Costs



Through Markel's products, employers likely have more sensible ways to offer health benefits.

For employers looking for insurance options in a challenged economy, Mark Nichols, vice president of Markel's Accident and Health Programs, says Markel's product choices are perfectly timed to benefit the employer, the employee and the unemployed.

BEST'S REVIEW: Given the economy and the prospects for health care reform, are self-funding benefits still appealing to employers?

NICHOLS: It may be more compelling than ever before. Health care reform likely will require large employers to provide health insurance to their employees, and current economic conditions require that employers do so as economically feasible as possible. Self-funding is a proven strategy for controlling health care costs. It allows employers to construct their own schedule of benefits; it exempts them from state premium taxes; and it provides financial reward when experience beats expectations.

BR: What is unique about Markel's approach to Stop Loss?

NICHOLS: We're relatively new to the business, so we're not saddled with legacy losses or an existing agency plant. What that allows us to do is become more creative and aggressive when an account merits that action. Secondly, we don't utilize MGUs in the traditional sense, so brokers, consultants and TPAs have the opportunity for a direct relationship with us, and collaboration on product design and pricing. Lastly, we pride ourselves on the quality of our balance sheet and our underwriting expertise.

BR: Why select short-term medical instead of COBRA?

NICHOLS: COBRA's a worthy idea, but for many, it's too expensive and time-limited. On the other hand, short-term medical products offer real consumer choice. We underwrite \$1 million limit short-term products that can include accident and sickness or accident-only coverage, and consumers can choose from a variety of deductibles.

BR: How do producers market this product?

NICHOLS: In designing our product, we focused on leveraging technology, to the agent's and the customer's advantage. The product is delivered entirely over the internet, so it's extremely easy for agents to offer to clients, and empowers consumers to select the coverage they need.

BR: What are common misconceptions employers have about limited medical benefit plans?

NICHOLS: Unfortunately, an increasing number of employers are under the misimpression that employer-sponsored health insurance is beyond their means. While traditional first-dollar plans can cost more than \$1,000 a month for family coverage, limited medical plans really offer an attractive alternative. Our average monthly premium is about \$85 per employee per month. While not designed to cover the catastrophic, limited benefit plans can guarantee access to health care.

BR: What is the future of limited medical plans?

NICHOLS: Today, an estimated 40% of employers don't offer health insurance to their employees. And most of them don't because they assume it's unaffordable. That equates to nearly 28 million Americans who are uninsured, but gainfully employed. Limited benefit plans are great options for employer groups who historically have not offered health insurance or who are looking for options in this economic climate. **BR**



Mark Nichols,
Vice President of
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■ For the complete audio interview, visit www.bestreview.com/issuesandanswers.