

A COMPREHENSIVE ON-SITE TRAINING PROGRAM

For Underwriters, Actuaries, And Other
Detail-Oriented Group Health Insurance Professionals

“Making Vast Improvements To Your Large Group Pricing”

The Pricing Methodologies That Health Insurers Are Using To Develop Premium Rates For Their “Large Group” Clients Routinely Generate **PREMIUM RATES THAT ARE SUBSTANTIALLY “OFF TARGET”**. Health Insurers **NEED TO MAKE VAST IMPROVEMENTS** To Their Pricing Methodologies So They Can Start Setting **HIGHLY APPROPRIATE** Premium Rates For Their “Large Group” Clients And Prospects Which Will Result In **DRAMATICALLY IMPROVED PROFITABILITY!**

This Ground-Breaking Program Will Show You How To:

- Make **VAST IMPROVEMENTS** To Your Experience Rating Formula, And Many Of The Factors It Relies On!
- Make **VAST IMPROVEMENTS** To The Primitive And Problem-Ridden Community Rating By Class (CRC) Pricing Methodology That’s Being Used To Price “Large Fully-Insured Groups”, And To Partially Price “Experience-Rated Groups” That Aren’t Fully Credible!
- **DRAMATICALLY IMPROVE** Your Ability To Fine-Tune A Group’s Premiums Whenever An Adjustment Is In Order!

The Innovative Techniques That We’ll Show You During This Comprehensive Program Are **VASTLY SUPERIOR** To The Techniques That Virtually **EVERY** Health Insurer In The Industry Is Currently Using To Price Large Groups!

Making Vast Improvements To Your Experience Rating Formula, Many Of The Factors It Relies On, And Your Ability To Fine-Tune A Group's Premiums Whenever An Adjustment Is In Order

Over the years, we've examined dozens of experience rating formulas and found that every one of them could be significantly or substantially improved. During this program, we'll comprehensively examine what we feel is the ULTIMATE approach to experience rating. Besides providing you with an enormous amount of detailed information regarding virtually every aspect of experience rating, this ground-breaking program will give you the opportunity to compare your company's experience rating approach to ours. This will enable you to identify areas where your company can make substantial improvements to the way that it performs experience rating. During this program, we'll be paying particular attention to those aspects of experience rating that most health insurers find problematic. Some of these problem areas are briefly described below.

- Completing a group's most recent claims experience in an accurate manner is a challenging task. We'll show you an innovative approach that produces a significantly better estimate of completed claims than the traditional approach does.
- Individual large claims pooling is the most problematic aspect of experience rating for most health insurers. We'll comprehensively examine each of the following topics.
 - ◆ How to develop appropriate pooling levels for each group size bracket
 - ◆ The best way to pool a group's claims (which few insurers do)
 - ◆ How to ensure that your pooling charges are adequate
 - ◆ The most appropriate method to calculate a specific group's pooling charge (virtually no insurers use this method!)
 - ◆ Why pooling ALL large claims in the same manner, including "recurring large claims", is a big mistake.
- Many health insurers use a simple but improper method to weight the claims experience that's associated with multiple time periods. We'll show you the best weighting method.
- Health insurers use a CRC pricing methodology to partially price their experience-rated clients that are only "partially credible". If a group is 30% credible, and the "expected claims estimate" (which is developed using the CRC pricing methodology) is "off target" by 15% (which occurs fairly often), the group's renewal premiums will be "off target" by 10.5% (i.e., $70\% \times 15\%$) assuming that the 30% piece is properly priced. The CRC pricing methodology that virtually every health insurer uses was invented over sixty years ago and can best be described as primitive and extremely imprecise. We'll show you how to make vast improvements to this ancient problem-ridden pricing methodology in day two of this program.
- There's also a great deal of confusion regarding the concept of credibility and the technical definition of full credibility. This is apparent when you look at the huge differences in credibility factors from one health insurer to the next. We'll show you a credibility factor table that was based on the combined input from five of the most experienced actuaries in the industry.
- The goal of experience rating is to generate highly appropriate premium rates for a group's next policy year. If a group's risk profile has been changing over time, or they'll be implementing some type of change to their health plan next year, their future may be substantially different than their past. In these cases, the formula-generated renewal premiums must be fine-tuned to make their premiums more appropriate. We'll examine many situations where a premium adjustment is in order.

Making Vast Improvements To The CRC Pricing Methodology That You're Using To Price Large Fully-Insured Groups, And To Partially Price Experience-Rated Groups That Aren't Fully Credible

The vast majority of health insurers rely on three types of rating factors in the CRC pricing methodology that they use to price their "large group" clients: age/sex factors, geographic area rating factors, and industry rating factors. However, there are approximately a dozen "dynamics" that significantly impact a group's claims experience. For the time being, let's assume that the "dynamics" of age, sex, and geographic area are properly reflected in a group's premiums through the use of age/sex factors and geographic area rating factors. That only leaves us with industry rating factors which are somehow supposed to properly reflect the combined claims impact of the other nine dynamics (i.e., the group's participation rate, the types of employees that are actually in the group, the group's employee turnover rate, and six additional dynamics). Since every group that has the same SIC code gets assigned the same industry rating factor, the underlying assumption is that the combined claims impact of these nine dynamics is IDENTICAL FOR EVERY GROUP that has the same SIC code. This ridiculous assumption is one of the main reasons why a group's premiums are often times 10%-20% "off target", and in some cases as much as 30% "off target"! There are also many additional reasons why industry rating is JUNK SCIENCE. During this program we'll show you how you can **replace Industry Rating Factors** with four types of non-traditional rating factors (i.e., **participation rating factors and three others**) that will generate SUBSTANTIALLY MORE APPROPRIATE premiums for your "large group" clients.

Health insurers should also **DRAMATICALLY IMPROVE** the way that they perform geographic area rating. Most health insurers assign a geographic area rating factor to a group based on where the employer is located. These insurers are assuming that **ALL** of the medical care that will be received by **ALL** of the covered members will be received in the geographic rating area where the employer is located. There are a handful of reasons why this approach usually results in a group's premiums being "off target" by anywhere from a few percent to as much as seven or eight percent! There are also a fair number of health insurers that base a group's geographic area rating factor on where the group's employees reside. Although this is significantly better than the first approach, the assumption that each covered member will receive **ALL** of their medical care in the geographic rating area where they reside is also unrealistic. During this program, we'll show you **a vastly superior approach to geographic area rating** that's easy to develop and will enable you to develop a **UNIQUE AND HIGHLY APPROPRIATE** geographic area rating factor for each group.

A word about non-traditional rating factors: Virtually every underwriter and actuary feels that a group's participation rate can have a substantial impact on their loss ratio. So, why are there only a handful of health insurers in the industry that use participation rating factors? Earlier, we mentioned that there are approximately a dozen "dynamics" that significantly impact a group's claims experience; however, the traditional CRC pricing methodology only usually relies on three types of rating factors. We're not advocating the use of nine additional types of rating factors in your CRC pricing methodology since this would be overkill. However, health insurers should strongly consider including three or four types of non-traditional rating factors in their CRC pricing methodology that would reflect the claims impact of those "dynamics" that impact claims the most.

Your Instructor

Scott M. Snow, FSA is the sole presenter throughout this program. He is a Fellow of the Society of Actuaries and the President of S. M. Snow & Associates. Mr. Snow is an industry expert regarding pricing and has over forty years of group health insurance experience.



Since 1995, he's conducted over 200 seminars and nearly 100 on-site training programs. To date, Mr. Snow has trained nearly thirteen thousand insurance professionals (i.e., underwriters, actuaries, consultants, brokers, and sales professionals).

Although this is a lecture style program, attendees may ask questions at any time since we've made allowances within each module for Q&A and for group discussions.

About Our Company

S. M. Snow & Associates was established in 1989 and has been providing the **most comprehensive and worthwhile** seminars and on-site training programs in the industry for the past twenty six years. The enormous success that we've enjoyed over the years is due to the **unsurpassed quality** of our programs.

Who Should Attend

This ground-breaking program was specifically designed for underwriters, actuaries, and anyone else who'd like to learn virtually everything there is to know about pricing "large groups" in a highly appropriate manner.

Continuing Professional Development (CPD) Credits For Actuaries

This program qualifies for 11.4 units of CPD credit.

Why This Program Is In A Class By Itself

Take a moment to recall all of the conferences and seminars that you've attended in recent years. Have any of these events provided you with comprehensive information and strategies that enabled you to substantially improve your job performance which in turn positively impacted your company's business results? Do you feel that these events were valuable learning experiences, or would you describe these events as **social gatherings** for the most part?

We strongly believe that a seminar or an on-site training program should be a valuable learning experience that will greatly benefit the attendee and his or her company. Unlike virtually all of the seminars and conferences that underwriters, actuaries, and other group health insurance professionals usually attend, this on-site training program will provide you with a wide variety of **INNOVATIVE AND HIGHLY EFFECTIVE STRATEGIES** that will dramatically improve your ability to **PRICE YOUR "LARGE GROUP" CLIENTS PROPERLY** which will **SUBSTANTIALLY IMPROVE YOUR COMPANY'S BUSINESS RESULTS**. Examine the agenda and you'll see why **this program is the most comprehensive and worthwhile program in the industry!**

Our Website

For additional information regarding our seminars, our on-site training programs, our company, and Mr. Snow's background, visit our website at **www.smsnow.com**.

Contact Us For A Quote

If you have any questions regarding our on-site training programs, or you'd like us to provide you with a quote, our phone number is (508) 393-1608 and our email address is smsnow@smsnow.com.

day one

8:30 OPENING REMARKS / PROGRAM OVERVIEW

8:45 A DETAILED OVERVIEW OF THE EXPERIENCE RATING PROCESS AND THE MANY CHALLENGES THAT HEALTH INSURERS FACE

- The Concept Of Experience Rating
- The Minimum Group Size Eligible For Experience Rating
 - ◆ Should You Experience Rate All “Large Groups”, Or Only Groups With 150+ Or 200+ Subscribers?
- An Examination Of “Paid Claims”, “Incurred Claims”, And “Completed Claims”
- Clearing Up All Of The Confusion Regarding Completion Factors And IBNR
- How The “Minimum Loss Ratio” Requirement Impacts Experience Rating
- How Much Prior Claims Experience Should Be Examined?
- Should You Be Examining Claims Experience By Plan Year, Or For Periods Of Time Other Than Plan Years?
 - ◆ The Challenges Regarding Each Of These Approaches
- A Detailed Overview Of The ULTIMATE Experience Rating Formula
 - ◆ The Timing Considerations Involved
 - ◆ The EIGHT STEP Experience Rating Formula
- The Many Experience Rating Challenges That Health Insurers Face

10:00 Break

10:20 THE “NUTS & BOLTS” OF THE ULTIMATE EXPERIENCE RATING FORMULA

- **STEP 1:** “Completing” The Claims
 - ◆ Completing The Claims That Were Incurred During The TWO Most Recent FULL PLAN YEARS
 - ◆ Completing The Claims That Were Incurred During The CURRENT PLAN YEAR, Which Is Still In Progress
 - Why Using A Standard Completion Factor To Complete A Group's Most Recent Claims Experience Will Often Times Be Substantially Off Target
 - We'll Examine An Innovative Approach To Claims Completion That Produces A Much More Precise Estimate Of Completed Claims.

NOTE: If The Group Changed Their Covered Benefits, Or Will Change Benefits Next Year, Adjustments Must Be Made To Completed Claims

- **STEP 2:** Taking The “Completed Claims” (From STEP 1) And Performing “Individual Large Claims Pooling” To Develop “Adjusted Claims” For Each Of The Three Plan Years
 - ◆ How Pooling Works And Why It's Absolutely Essential
 - Why Pooling Acts Like “Renewal Premium Stability Insurance”
 - Comparing “Large Claims Pooling” To Specific Stop Loss Coverage
 - Two Mistakes That Health Insurers Make That Stop Loss Carriers Avoid
 - ◆ How To Develop Appropriate Pooling Levels For Each Group Size Bracket
 - ◆ We'll Review A Table Of Pooling Charge Percentages For Each Pooling Level
 - How “Leveraging” Impacts The Pooling Charge Percentages As Time Passes
 - ◆ **CASE STUDY:** We'll Calculate “Pooled Claims” And The “Pooling Charge” For A Specific Group
 - ◆ Several Approaches That Can Be Used To Develop The Table Of Pooling Charge Percentages And Which Approach Is The Best
 - ◆ Three Methods That Can Be Used To Determine A Specific Group's Pooling Charge. Why The Most Commonly Used Approach Is The Least Appropriate.
 - ◆ Ensuring That Your Pooling Charges Are Adequate

NOTE: Here In STEP 2, We Pooled EVERY Large Claim Regardless Of The Type Of Claim It Is. Later On Today, We'll Examine A Superior Pooling Approach That You Should Consider Using Instead.

- **STEP 3:** Trending The “Adjusted Claims” (From STEP 2) To The Renewal Period For Each Of The Three Plan Years To Get Three “Projected Claims Estimates Per Member Per Month (PMPM)”
 - ◆ What A Trend Factor Is And What It Isn't
 - ◆ Should You Use Monthly, Quarterly, Or Annual Trend Factors?



- **STEP 4:** Taking A Weighted Average Of The Three “Projected Claims Estimates PMPM” (From STEP 3) To Get The Best Estimate Of What This Group's Claims Will Be During Their Next Plan Year
 - ◆ Three “Weighting Approaches” To Consider:
 - #1: The More Recent The Plan Year Is, The Larger The Weight Should Be
 - A Complication: The Current Plan Year Is A PARTIAL Plan Year
 - #2: The Weights Are Based On The Number Of Member Months In Each Period
 - #3: Why Using A Combination Of Both Of The Above Approaches Is The Best Approach
 - ◆ Why A Group's Annual Employee Turnover Rate Should Be Considered
 - What Percentage Of The People Who Contributed To The Group's Claims Experience Will Still Be In The Group During The Next Plan Year And Still Be Insured By Your Company?
 - Why Groups With A High Employee Turnover Rate Should Receive A Surcharge

NOTE: For Groups That Are “Fully Credible”, After Step 4 You'll Jump To Step 7. For All Other Groups, After Step 4 You'll Continue To Step 5.

- **STEP 5:** Calculating The Group's “Expected Claims PMPM” Using The “Community Rating By Class” (CRC) Pricing Methodology

NOTE: Here In STEP 5, We're Temporarily Using The Traditional CRC Pricing Methodology To Determine Expected Claims. Tomorrow, We'll Show You How To A Make Dramatic Improvements To The Traditional CRC Pricing Methodology Which Will Generate A VASTLY SUPERIOR Estimate Of Expected Claims.

- **STEP 6:** Using A Credibility Factor To Meld “Projected Claims PMPM” (From STEP 4) And “Expected Claims PMPM” (From STEP 5) To Develop A “Preliminary Claims Estimate PMPM” For The Next Plan Year
 - ◆ The Technical Definition Of “Full Credibility”
 - ◆ Should You Use A Highly Theoretical Mathematical Approach To Develop Your Credibility Factor Table?
 - ◆ Why Our Common Sense Credibility Factor Table Is Hard To Beat
- **STEP 7:** Situations Where An Adjustment To The “Preliminary Claims Estimate PMPM” For The Next Plan Year Is Warranted
 - ◆ Approximately How Often, And Under What Circumstances, Is The Past Is A Poor Predictor Of The Future?

NOTE: Later Today, We'll Examine Ten Common Situations Where An Adjustment To The “Preliminary Claims Estimate PMPM” For The Next Plan Year Is Warranted.

- **STEP 8:** Developing The Renewal Premium Rates From The Final “Claims Estimate PMPM” For The Next Plan Year
 - ◆ Taking The Mystery Out Of The Mysterious “Step Up Factor”

12:15 Lunch

1:15 AN IN-DEPTH CASE STUDY ILLUSTRATING THE “ULTIMATE” EXPERIENCE RATING FORMULA

We'll go through a detailed case study to illustrate how the ABC Company's renewal premiums are developed.

NOTE: During the rest of this program, we'll examine how **STEP 2** and **STEP 5** can be dramatically improved, and we'll provide a great deal of additional elaboration regarding **STEP 7**.

1:55 APPROPRIATELY REFLECTING “RECURRING LARGE CLAIMS” AND “OPEN LARGE CLAIMS” IN A GROUP'S RENEWAL PREMIUMS

*Earlier today, our experience rating formula pooled ALL large claim amounts that were above the group's pooling level without regard to the type of claim it was. In this module, we'll show you a much more refined approach to **STEP 2** of our experience rating formula that you should consider using.*

■ We'll Define The Following Types Of Large Claims:

- ◆ A "Recurring Large Claim" (RLC)
- ◆ An "Open Large Claim" (OLC)

■ Should All Large Claims Be Pooled Without Exception, Or Should An Exception Be Made For A RLC?

- ◆ The Various Types Of Pooling Exceptions:
 - Not Pooling A RLC
 - Pool A RLC, But At A Higher Pooling Level Than Normal
 - Make One Of The Above Pooling Exceptions AND Also Assess A Premium Surcharge
- ◆ Comparing The Above Pooling Exceptions To How Specific Stop Loss Carriers "Laser" Large Claims With Respect To Their Self-Funded Clients
- ◆ **CASE STUDY:** We'll Re-Do The Case Study Regarding The ABC Company That We Did In The Previous Module But This Time We Won't Pool A \$200,000 RLC That Occurred In The Current Plan Year To See How The Renewal Premiums Will Be Impacted
 - How Much Of The \$200K Will The Employer Actually Pay In Higher Premiums Next Year?
 - How Much Of The \$200K Will The Employer Eventually Pay In Higher Premiums If This Claim Isn't Pooled In The Next Two Years As Well?
 - If A Group Isn't Very Credible, Not Pooling A RLC Won't Have Much Of An Impact On Their Renewal Premiums. How To Solve This Problem.

■ How To Handle A Group That Has One Or More Open Large Claims (OLCs) That Are Expected To Continue Into The Next Plan Year

2:45 Break

3:05 TEN COMMON SITUATIONS WHERE AN ADJUSTMENT TO THE "PRELIMINARY CLAIMS ESTIMATE PMPM" IS WARRANTED. WE'LL SHOW YOU INNOVATIVE TECHNIQUES THAT YOU CAN USE TO PROPERLY DETERMINE THE MAGNITUDE OF THESE ADJUSTMENTS.

*This module provides additional elaboration with respect to **STEP 7** of our experience rating formula which we examined earlier today. We'll examine ten common situations where either the employer is implementing some type of cost-control strategy next year that will substantially impact the group's loss ratio, or the group's "risk profile" has changed significantly in recent years. Under these conditions, a **STEP 7** adjustment must be made to the group's "preliminary claims estimate PMPM".*

NOTE: The underwriter or actuary needs information about each specific large group that only the sales person or broker has (or can obtain from the group) so they can determine if some kind of premium adjustment will be needed. Changes to any aspect of a group's health plan that will be implemented on the next anniversary are particularly important to know about since the change(s) could substantially impact the group's loss ratio and/or enrollment level.

■ Developing A Questionnaire That The Sales Person Or Broker Must Complete For Each Large Group That Will Provide The Types Of Information Referred To In The Following Ten Case Studies

■ **CASE STUDIES 1-3:** The Employer Will Be Implementing A Strategy Next Year To Get Many Of Their Family Subscribers To Opt Out Of The Health Plan (i.e., enroll their family in their working spouse's health plan). We'll Show You How To Determine The Adjustment Required For Each Of The Following Case Studies:

- ◆ **#1:** The Employer Will Be Offering Their Family Subscribers \$333/Month (i.e., \$4,000 per year) If They Opt Out Of Their Health Plan. They'll Receive This Money Each Year That They're In Their Working Spouse's Health Plan. Why The New "Opt Outs" Will Be Much Healthier Than Average Families.
- ◆ **#2:** Next Year, This Employer Will Levy A \$200/Month Surcharge On Every Family Subscriber That Could've Taken Their Working Spouse's Health Plan But Didn't. Many Healthy Families Will Opt Out.
- ◆ **#3:** The Employer Will Ban The Working Spouses Of Employees From Their Health Plan If The Spouse Has Access To A Health Plan Where They Work

■ **CASE STUDIES 4 & 5:** The Employer Will Be Changing Their Contribution Strategy Next Year To Shift More Of The Cost Onto Their Employees. This Will Negatively Impact Participation And It Will Also Significantly Increase The Number Of Healthy Opt Outs Which Is A Much Bigger Concern. We'll Show You How To Determine The Adjustment Required For Each Of The Following Case Studies:

- ◆ **#4:** The Employer Will Be Changing Their 90% Contribution To 80%

Next Year

- ◆ **#5:** Next Year, Instead Of Paying A 90% Contribution For Employees And Dependents, They'll Be Paying 85% For Employees But Only 75% For Dependents

■ **CASE STUDIES 6-10:** Miscellaneous Situations And Another Cost-Reduction Strategy That Must Be Carefully Considered. We'll Show You How To Determine The Adjustment Required For Each Of The Following:

- ◆ **#6:** The Group's Participation Rate Has Been Decreasing Substantially In Recent Years
- ◆ **#7:** The Employer Is Planning A Major Layoff
- ◆ **#8:** The Group's Employee Turnover Rate Has Been Increasing Substantially In Recent Years
- ◆ **#9:** The Employer Will Be Allowing Your Most Feared Competitor Into The Group Next Year
- ◆ **#10:** They'll Be Levying A \$125 Monthly Surcharge On Each Covered Adult That Uses Tobacco. Assessing The Impact That An Increased Number Of Tobacco-Using "Opt Outs" Will Have On Claims.

4:30 End Of Day One

day two

8:30 A DETAILED EXAMINATION OF THE TRADITIONAL COMMUNITY RATING BY CLASS (CRC) PRICING METHODOLOGY AND ITS MANY SHORTCOMINGS

*Health insurers use a CRC pricing methodology to price their "large groups" that are fully-insured, and to partially price their experience-rated clients that aren't fully credible. Unfortunately, the 60+ year old CRC pricing methodology has many problems and routinely generates premiums that are substantially off target. In this module, we'll examine the many serious problems with this ancient pricing methodology. In the next module, we'll show you how to develop a dramatically improved approach to CRC rating that will generate a vastly superior estimate of "expected claims" which is used in **STEP 5** of our experience rating formula which we examined yesterday.*



■ An Example Of How The Traditional CRC Pricing Methodology Is Used To Price A "Large Fully-Insured Group"

■ We'll Examine A Dozen "Dynamics" (i.e., Age, Sex, Geographic Area, The Group's Participation Rate, And Eight Others) That Significantly Or Substantially Impact A Group's Claims Level.

- ◆ Why Age And Sex Are The Only "Dynamics" That Are Properly Handled By The Traditional CRC Pricing Methodology
- ◆ Now, We'll Discuss The Other TEN "Dynamics" That Are Either Totally Ignored Or Improperly Handled By The Traditional CRC Pricing Methodology
- ◆ **CASE STUDY:** We'll Show You Why The Traditional CRC Pricing Methodology Often Times Generates Premiums That Are Off Target By 20% Or More!

■ Why Geographic Area Rating Is So Imprecise

- ◆ We'll Examine The Mistakes That Virtually Every Health Insurer Makes When Developing Geographic Area Rating Factors
- ◆ The Vast Majority Of Insurers Assign A Geographic Area Rating Factor To A Specific Group Based On Where The Employer Is Located Or Where The Employees Live
 - **CASE STUDY:** Why Both Of These Approaches Are Highly Inappropriate. We'll Show You An Innovative Approach That's Vastly Superior.

■ The Many Reasons Why Industry Rating Is "Junk Science"

- ◆ Why The Concept Underlying Industry Rating Is Fatally Flawed

- ◆ A Comprehensive Examination Of The Three HUGE MISTAKES That Are Made When Industry Rating Factors (IRFs) Are Developed:
- ◆ If Three Or Four Insurers Are Quoting On The Same Group, There's Usually A 10 Point Difference Between The Highest IRF And The Lowest IRF Among The Insurers. Occasionally, There's A 15 Point Difference! What Does This Say About The Validity Of IRFs?
- ◆ Replacing IRFs With Several Non-Traditional Rating Factors That Are Vastly Superior
- We'll Discuss The Many "Dynamics" That The Traditional CRC Pricing Methodology Ignores, But Shouldn't
 - ◆ The Group's Participation Rate, The Types Of Employees That Are Actually In The Group, And The Group's Employee Turnover Rate To Name A Few

10:00 Break

10:20 HOW TO MAKE VAST IMPROVEMENTS TO THE TRADITIONAL COMMUNITY RATING BY CLASS (CRC) PRICING METHODOLOGY THAT'S BEING USED TO PRICE LARGE GROUPS

In our "new and vastly improved" CRC pricing methodology, we'll continue to use the age/sex factors that the traditional CRC pricing methodology relies on; however, everything else will change for the better.

- Why Your Age/Sex Factors Should Be Fine To Use As Is
- How To Make Vast Improvements To The Way That You Perform Geographic Area Rating
 - ◆ STEP 1: Forget Everything That You Know About Geographic Area Rating!
 - ◆ We'll Show You A Simple, Creative, And Highly Appropriate Approach That You Can Use To Develop A UNIQUE Geographic Area Rating Factor For A Specific Group That's Based On Where Covered Members Will MOST LIKELY ACTUALLY RECEIVE Their Medical Care
 - Why This Innovative Approach Is Vastly Superior To The Traditional Approaches That Health Insurers Have Been Using For Decades!
- We'll Replace Industry Rating Factors (IRFs) With Four Types Of Non-Traditional Rating Factors That Make A Lot More Sense:
 - ◆ Participation Rating Factors
 - ◆ "Employee Type" Rating Factors
 - ◆ "Tobacco-Use" Rating Factors (Using A Sensible Definition Of Tobacco-Use)

- ◆ Industry ADJUSTMENT Rating Factors (For A Handful Of "Unusual" Industries)
- Developing Participation Rating Factors
 - ◆ The Minimum Participation Requirement For Large Groups
 - ◆ We'll Show You An Innovative Approach To Develop Participation Rating Factors For Large Groups That Have A Participation Rate Of 100%, 95%, 90%, 85%, 80%, Or 75%
- Developing "Employee Type" Rating Factors
 - ◆ The Correlation Between An Employee's Salary And Their Education Level
 - ◆ How A Group's "Average Employee Salary" Impacts Their Claims Level
 - Why An Employee's Attitude Towards Health, Fitness, And Taking Physical Risks Varies By Salary Level
 - Why The Employee's Dependents Have A Similar Attitude
 - Why Employee Turnover Varies By Salary Level
 - ◆ An Innovative Approach To Developing "Employee Type" Rating Factors That Involves Stripping Out The Claims Impact Of Age, Sex, Geographic Area, And The Group's Participation Rate
- Developing "Tobacco-Use" Rating Factors
 - ◆ The ACA's Ridiculous Definition Of Tobacco-Use Versus The Definition That We'll Use For Large Groups
 - ◆ How A Person's Education Level Dramatically Impacts Their Likelihood Of Using Tobacco
 - ◆ The Types Of Industries Where 35%+ Of Employees Use Tobacco
 - ◆ A Sound Approach To Develop "Tobacco-Use" Rating Factors
 - A "One Size Fits All" Rating Factor
 - Rating Factors That Vary By Age
- How To Develop "Industry ADJUSTMENT Rating Factors (NOT Industry RATING Factors) For A Small Number Of Unusual Industries
- An Example Of How This "New And Vastly Improved" Version Of CRC Is Used To Price:
 - ◆ A Large Fully-Insured Group
 - How This Compares To The Traditional CRC Pricing Methodology
 - ◆ An Experience-Rated Group That's Only Partially Credible

11:50 FINAL THOUGHTS / ADDITIONAL TIME FOR Q&A

12:00 Adjournment

Each Attendee Will Receive A Comprehensive Training Manual!

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