

# Good Claims Experience & Getting Hit with Large Rate Increases?

## What Are Your Options?



## What Drives Rate Increases?

- ✗ Large medical claims (cancer, heart surgery, complicated births)
- ✗ Multiple claims in one year (accidents, chronic conditions)
- ✗ High prescription drug costs (specialty medications)
- ✗ Mental health/substance abuse treatment
- ✗ Emergency room visits and hospitalizations

*Result: Your renewal rates skyrocket, even when you feel you're getting an unfair deal.*

### Option 1: NARFA Level Funding

A claim projection is made at the beginning of the year, and you level fund claims, administration, and insurance, providing you with a budgetable program. Level funding is recommended if you are running well, with good claims experience.

- **Predictable monthly payments** based on projected costs, not insurance company margins
- **Surplus to offset future rate increases** if claims are lower than expected
- **Stop-loss protection** caps your maximum exposure if claims exceed projections
- **You benefit from good years** instead of insurance companies keeping the profits
- **Best for:** Businesses with stable workforces looking for budget predictability

### Option 2: NARFA High Deductible Plans + HSA

Lower your monthly premiums while building tax-free savings for medical costs.

- Lower monthly premiums to offset previous high claim costs
- Tax-advantaged savings through Health Savings Accounts (triple tax benefit)
- Employee ownership of healthcare decisions reduces unnecessary utilization

- Build cash reserves for future medical expenses while saving on premiums
- Best for: Businesses needing immediate premium relief with healthy cash flow

### Option 3: NARFA's Group Buying Power

Join with hundreds of other NARFA members to spread risk and access better rates.

- Spread risk across hundreds of NARFA members instead of being judged alone
- Exclusive group rates not available to individual businesses or through brokers
- Claims experience pooled - your tough year balanced by others' good years
- More stability than going it alone in the individual market
- Best for: Businesses wanting traditional coverage with group protection

### Why NARFA Members Have More Options

**Nearly 100 years of stability** means we weather tough times

**Industry expertise** - we understand your business risks

**Group strength** - your bad year gets averaged with good years from other members

**Multiple solutions** - we don't have just one answer

## NEXT STEPS

**Facing huge rate increases?** Let's review alternatives and determine if you're getting a fair deal.

**Our process:** We review your current census, demographics, and plan designs. We run a claims analysis based on your census to identify any major risks, then help determine the right design and direction for your business.

**Call 800-258-5318**

**Let us analyze your situation and explore your options.**

NARFA Member Services • Nearly 100 Years of Solutions • Since 1929