Stop-loss strategy in a shifting market

ThreeFlow

How brokers can deliver predictability and transparency

A single high-cost claimant or poorly written contract can wipe out client budgets, derail renewals, and put leadership teams on edge. In a market where claim costs keep climbing, that risk feels closer than ever—and it's shaking up the world of stop-loss.

Clients need protection they can trust, and they're counting on you to help them reduce their exposure and make decisions they won't regret at renewal.

To understand exactly what employers expect and how they're approaching these choices, we analyzed stop-loss activity across more than 5,000 groups. Below, we share what they're buying, what they're avoiding, and where the market is shifting.

SPOILER

A majority of employers are willing to trade slightly higher premiums for more stability. In a volatile market, predictability matters more than minimizing every dollar of upfront cost.

How thousands of employers are handling stop-loss

Our data shows they're converging on a few consistent stop-loss strategies, including:

"No new laser" guarantees	Leaner structures	Wide range of deductibles
Over 60% of policies included one.	73% of quotes came in net of commission.	Deductibles are most commonly $100k–$150k.
Our take: Employers increasingly want protection from renewal sticker shock.	**Our take:** Employers want to compare carriers, justify decisions to finance teams, and separate contract value from broker compensation.	**Our take:** Employers want help understanding how different deductible levels shift their exposure and budget risk.

What this means for brokers

Stop-loss is no longer a “set and forget” part of a benefits plan. Clients expect you to navigate volatility, compare protections, and translate contract language into business impact.

→ Clients value predictability, not just price

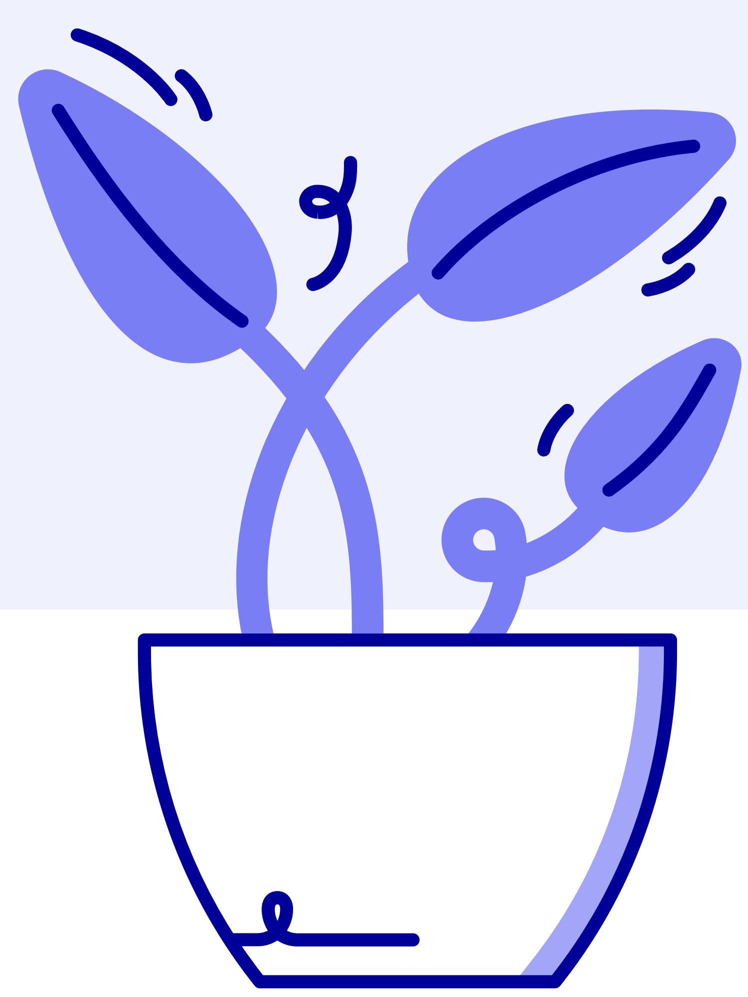
Clients aren’t chasing the lowest premium—they know a cheaper option could come back to bite them later. What they really want is to avoid the unexpected: high-dollar claimants, mid-year shifts in risk, and unpredictable renewals.

→ Net-of-commission quotes reflect a desire for greater pricing transparency

Your clients are facing a lot of pressure from their CFO to cut costs. At the same time, they’re ultimately responsible for any blind spots in their benefits plan. To help them feel confident and win their CFO’s trust, you need to be able to explain where every stop-loss dollar is going and compare quotes apples to apples.

→ “No new laser” guarantees can be a tool for future-proofing renewals

A no-new-laser clause eliminates a lot of risk: one very expensive claimant won’t blow up next year’s renewal. With more groups expecting this safeguard, consider building it into your plan design from the jump.



3 steps to a productive stop-loss conversation

1. Discuss trade-offs between stability and cost.

Our data shows that clients are waking up to the fact that premiums don’t tell the whole story. But they still need you to help them see how different contract provisions shift financial exposure—not just this year, but at renewal, too.

Walk them through deductibles, lasers, rate caps, and contract types, and outline what you think makes the most sense based on their unique situation so they can make an informed decision (that’s not based on sticker price).

2. Show how “no new laser” options can reduce renewal volatility.

Most employers don’t fully understand how lasers work. Use this as an opportunity to spell it out for them: lasers will shift liability back onto them—often when they can least afford it. Adding a no new laser clause won’t freeze premiums, but it will prevent skyrocketing renewal costs.

3. Benchmark client policies.

Chances are, your clients are really curious about how their peers are handle stop-loss. ThreeFlow's [State of Benefits Placement]() report (built on a survey of 5,000+ employers) is a good starting point. Inside the platform, you can even compare carrier rates in real time to model multiple scenarios side by side.

STOP-LOSS BY THE NUMBERS

+60%
of policies include "no new laser" guarantees

73%
of quotes came in net-of-commission

$100K–$150K
the price of most deductibles

Rethinking your stop-loss guidance?

Download the full State of Benefits Placement report for deeper stop-loss trends, plan design benchmarks, and broker comp insights—powered by ThreeFlow's placement data.

→ To learn more, visit threeflow.com