Stop Loss Insurance paid claims analysis

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ReliaStar Life Insurance Company (Minneapolis, MN) and
ReliaStar Life Insurance Company of New York (Woodbury, NY),
members of the Voya® family of companies

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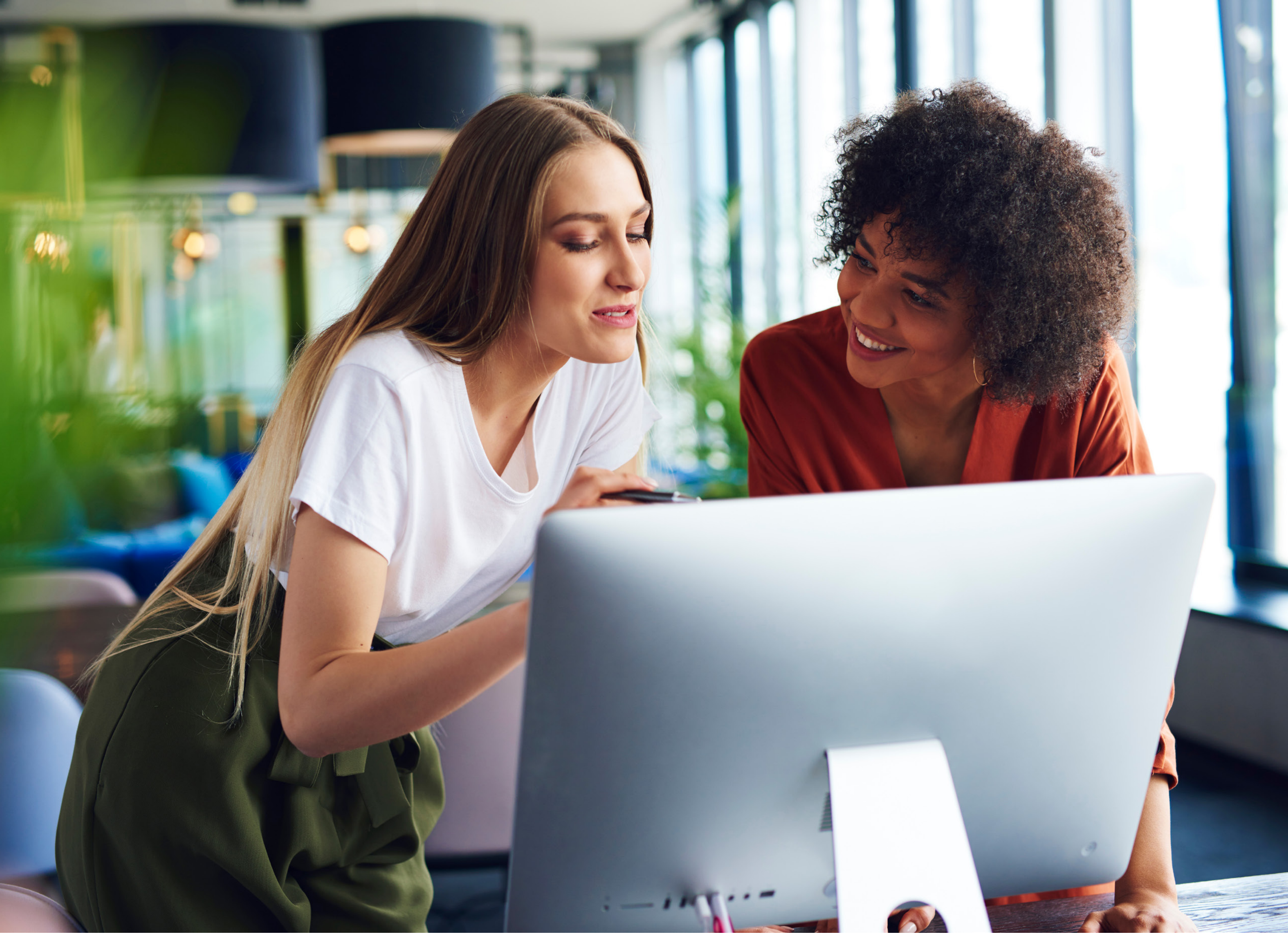


Get to know what’s driving costs and trends

Rising healthcare costs continue to pose a major challenge for many employers. Reviewing the prior year's claim incidence rates can provide valuable insights to help you better inform clients when evaluating Stop Loss coverage, assessing point solutions and selecting effective cost containment programs.

The following cost drivers and trends are intended to help you—and your clients—more appropriately mitigate risk and set the proper medical plan funding.

Safeguard against unexpected healthcare costs

Employers may be surprised by how much medical and prescription costs can add up for one person in a year. Based on our book of business, the table below illustrates what it can look like for a catastrophic claim—each claim from the list below represents the total claim cost for one person with one specific condition for just one year:

Top 10 largest Stop Loss claims (includes medical and prescription)	**2024 TPA allowed charges**
1. Congenital anomalies (i.e., premature birth, birth defects)	**$8,873,908**
2. Injury and poisoning	**$8,852,010**
3. Congenital anomalies (i.e., premature birth, birth defects)	**$7,448,326**
4. Diseases of the digestive system	**$7,150,047**
5. Symptoms, signs, and ill-defined conditions (i.e., not otherwise specified)	**$6,171,902**
6. Neoplasms (i.e., cancer)	**$5,805,862**
7. Neoplasms (i.e., cancer)	**$5,785,916**
8. Diseases of the respiratory system	**$5,633,125**
9. Congenital anomalies (i.e., premature birth, birth defects)	**$5,537,541**
10. Congenital anomalies (i.e., premature birth, birth defects)	**$4,839,347**

All statistics and trends are based on our book of business. The average Stop Loss claim allowed charge for our top 10 in 2024: $6,609,798. Actual results may vary.

Our Stop Loss Insurance covers employers with a total of 2.2 million employees. The data presented throughout this brochure reflects policies effective January 2, 2023 with coverage through January 1, 2024 and claims completed through April 30, 2025. Actual results may vary.

Notable trends

The **average claim** amount for 2024 is **up approximately 6%** from 2023, despite a $11.6M claim in 2023.

Claims **over $5M** continue to increase, with **9 claims in 2024** compared to only **6 claims in 2023**.

Premature infants (congenital anomalies, certain conditions originating in the perinatal period) continue to be the **most common diagnosis**.

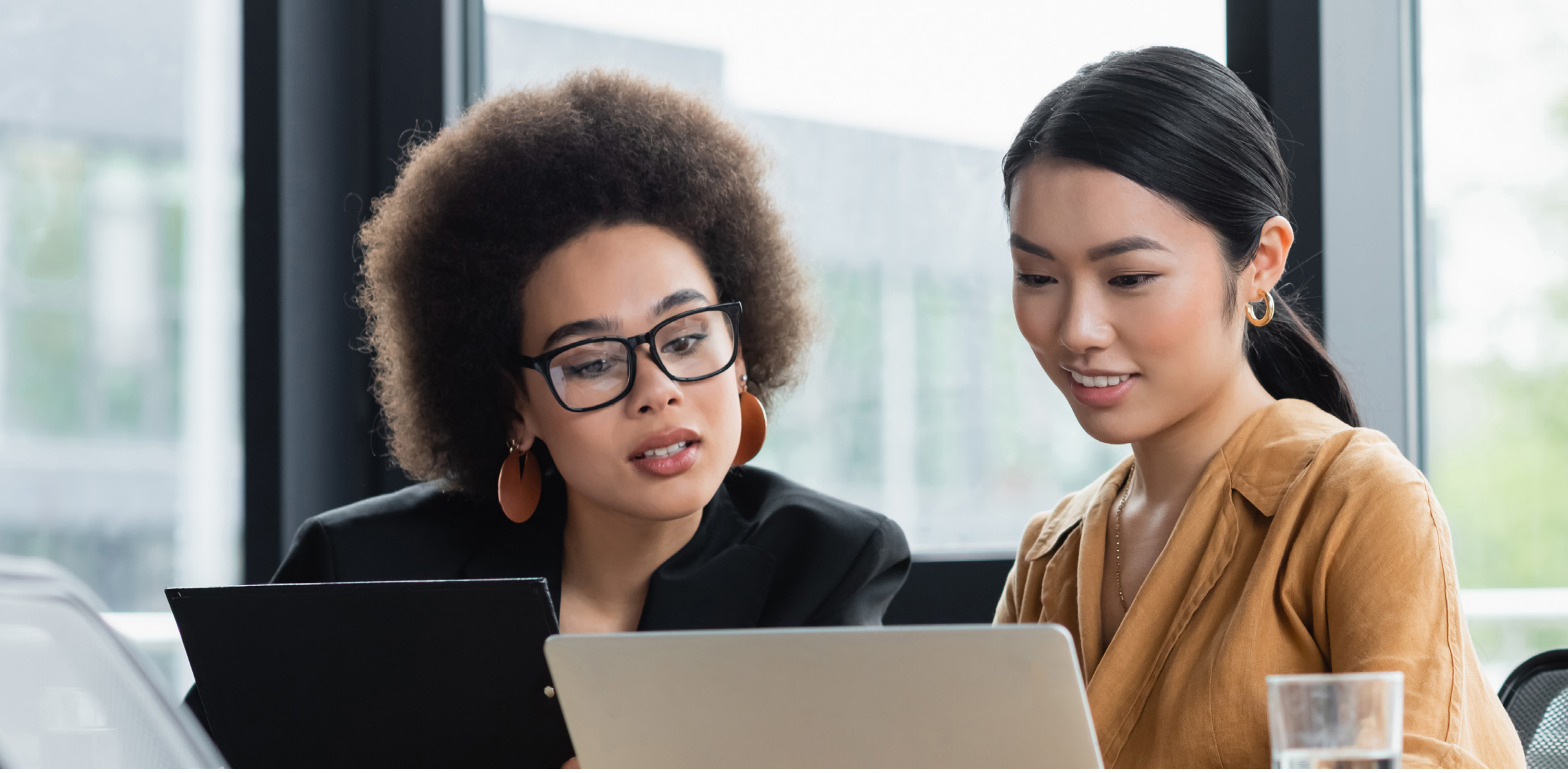
Frequency of diagnoses per 10,000 employees

Let's look at how often the top 10 claims diagnoses can be found within a population, based on our claims experience.

Top 10 claims diagnoses categories and examples in 2024	Average paid claims cost by diagnosis category	Frequency per 10,000 employees
Neoplasms (i.e., cancer)	$485,320	10.2
Diseases of the circulatory system (i.e., heart and blood vessels)	$407,396	3.6
Diseases of the digestive system	$382,995	2.5
Endocrine, nutritional and metabolic diseases, and immunity disorders (i.e., hormone, nutrition)	$532,319	2.0
Diseases of the musculoskeletal system and connective tissue (i.e., bones, muscles, joints)	$291,842	1.9
Injury and poisoning	$479,072	1.8
Diseases of the nervous system and sense organs (i.e., brain, nerves, and senses)	$439,308	1.8
Infectious and parasitic diseases	$546,074	1.3
Diseases of the genitourinary system (i.e., urinary and reproductive systems)	$346,311	1.2
Other	$586,067	6.2
All statistics and trends are based on our book of business.	Average cost: $473,973	Total frequency: 32.5

Using the information in the table above, if a client has a population of **3,000 employees**, they might see roughly **$4.6 million** in high cost claims:

32.5 claims per **10,000** employees = **9.8** claims per **3,000** employees → **9.8 x $473,973** average cost = **$4,644,935** estimated high cost claims



Changes in incidence

Claim frequency is up significantly (32.5 up from 23.8) - cancer claims continue to make up the largest number of claims submitted and the largest percentage of total claims costs. We expect cancer claims will continue to make up the largest portion of total claim spend. Also, we anticipate the average claim cost to increase in line with medical trend.

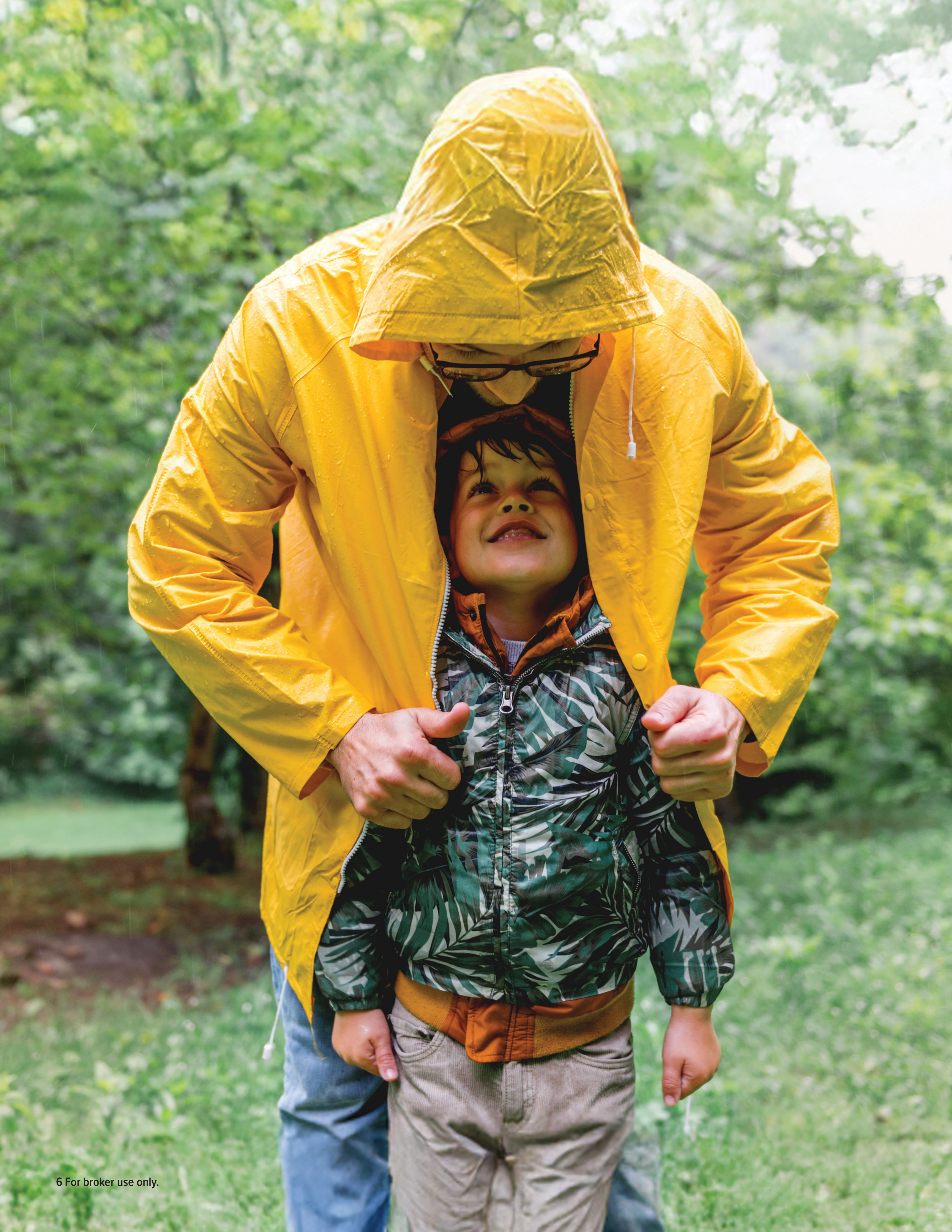
Deductible	Average annual growth rate in incidence
$100,000	8.1%
$150,000	10.9%
$250,000	10.9%
$500,000	13.2%
$750,000	15.4%

Notable trends

Individuals exceeding Stop Loss deductibles from **$100k-750k** have increased at an annualized rate ranging from **8%-15%** from **2021-2024**.

Annual growth in incidence at these deductibles from **2021-2024** is changed from **2020-2023,** that was shown last year. The biggest change is higher growth rates across all deductible levels.

We expect claim incidence to **continue increasing annually,** on average. Stop Loss Insurance is intended to help you weather the storm.



By your side every step of the way

Our Stop Loss Insurance

We have **50 years** of Stop Loss experience, and we are one of the top Stop Loss providers in the nation.*

We are a **direct writer**, which streamlines the claims process, gives employers a second set of eyes on claims, and opens access to potential cost saving networks.

Our **flexible contract** offers a variety of features and can be tailored to mirror or enhance an employer's existing plan.

* Ranking of top stop loss providers in the United States based on 2024 annual premium by MyHealthGuide Newsletter: News for the Self-Funded Community, and does not include managed health care providers.

Stop Loss Insurance claims services

Cost containment programs

Multiple proven cost containment programs can provide plan and individual savings. The programs are voluntary, so employers can choose what works for their plan.

Eligibility Fast Pass

Our expedited eligibility process for stop loss claims allows us to utilize a "preferred census" in lieu of pending initial claims and awaiting additional information to be received.

Individual advanced funding*

We help employers manage their cash flow by advancing funds for eligible individual claims that exceed the individual deductible.

ASO expedited reimbursement*

We help employers reduce the financial burden of incurring a large claim by quickly reimbursing eligible individual claims that exceed the individual deductible.

* Certain restrictions apply.

Cost containment programs

Self-funded medical plans are frequently impacted by high-dollar claims. Along with excess risk coverage, we offer solutions to help employers mitigate costs and maximize savings. Programs include:

- Claims review
- Specialty pharmacy
- Cancer treatment
- Multiple transplant networks
- Dialysis
- Cell and gene therapies

Our cost containment programs are designed to be a seamless experience for the member. Competitive vendor fees are a fixed percentage of savings and are reimbursed via the stop loss claim.

About us

Voya Employee Benefits offers a broad array of traditional group insurance products, supplemental benefits, Excess Risk (Stop Loss) Insurance and health account solutions, which are intended to meet the financial and protection needs of employers and their employees. Our focus on superior customer service continues into the flexible approach we take when building solutions with you. We'll be by your side, every step of the way. Insurance products are issued and underwritten by ReliaStar Life Insurance Company (Minneapolis, MN) and ReliaStar Life Insurance Company of New York (Woodbury, NY). Voya Employee Benefits is a division of both companies.

Key initiatives

- **In-sourcing Leave Management, Paid Family Medical Leave, and Short Term Disability administration**
- **Enrollment Technology API Strategy**
- **Supplemental Health Insurance enhancements**
- **Digital experience for employer/employee**
- **Customer experience: intuitive - insightful - empathetic**
- **myVoyage personalized enrollment guidance**

For more detailed information, talk to your **Voya Employee Benefits sales representative**.

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