



Burlington, VT | August 11-13, 2025

THE SITUATION ROOM

WITH SANDY BIGGLESTONE

40TH ANNUAL CONFERENCE

AUGUST 12, 2025 | 3:30PM – 4:30PM

PRESENTERS

PANELISTS

SANDY BIGGLESTONE | **VERMONT DEPARTMENT OF FINANCIAL REGULATION**

KRISTEN PEED | **SEQUOIA**

JULIE BORDO | **PCH MUTUAL INSURANCE COMPANY, INC**

DALE SAGEN | **QBE**

COORDINATOR

JOHN JAMES | **PERFORMA**

CONTENT ADVISOR

DAWNE DAVENPORT | **MARSH**

AGENDA

1. VCIA | CELEBRATING 40 YEARS
2. MEDICAL STOP LOSS
3. BAD FAITH CLAIMS
4. AI

VCIA | CELEBRATING 40 YEARS



How many years have you been attending VCIA?

MEDICAL STOP LOSS



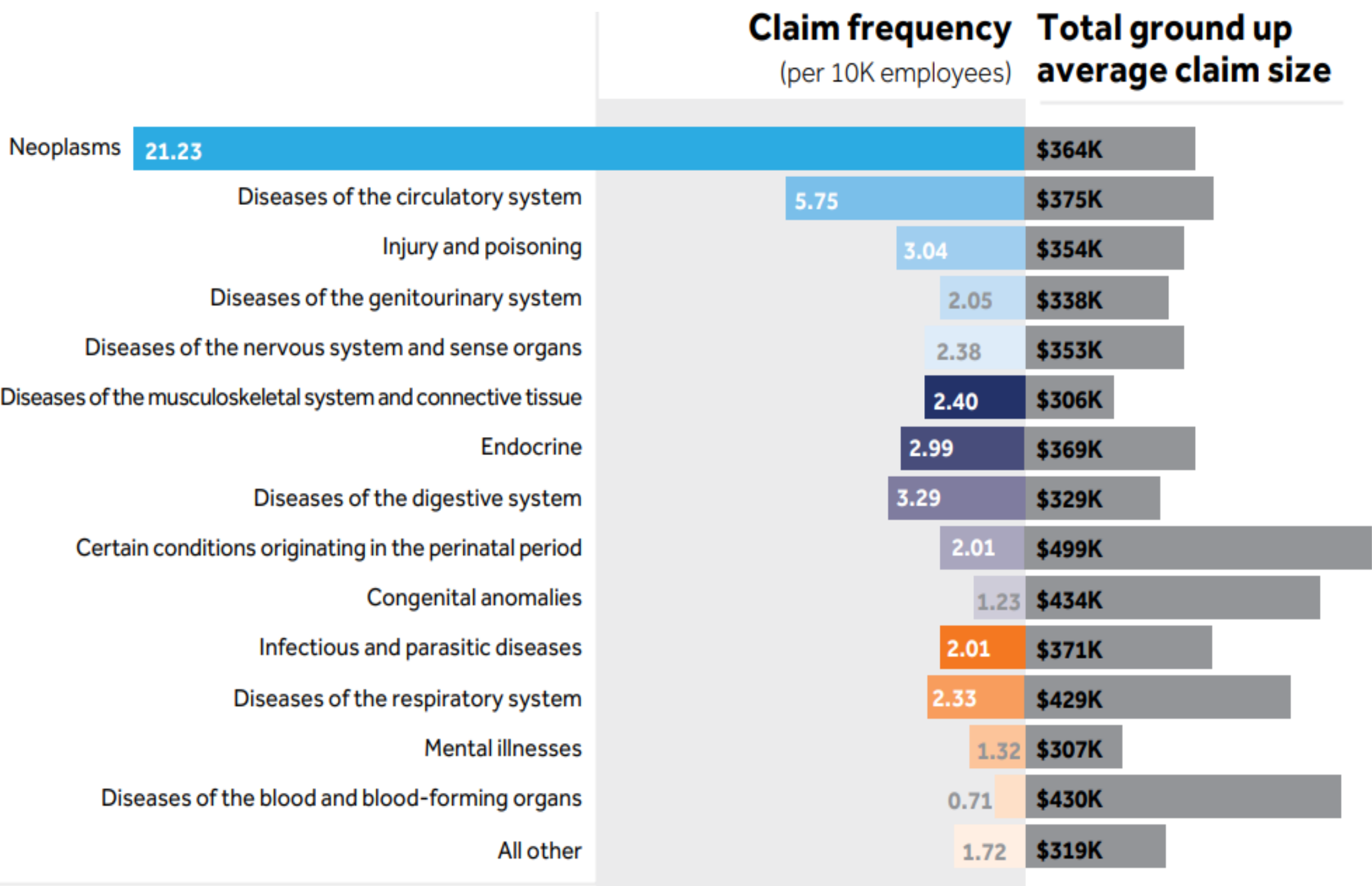
Are you using medical stop loss (MSL) in your program today?

MEDICAL STOP LOSS / CAPTIVE MARKET TRENDS

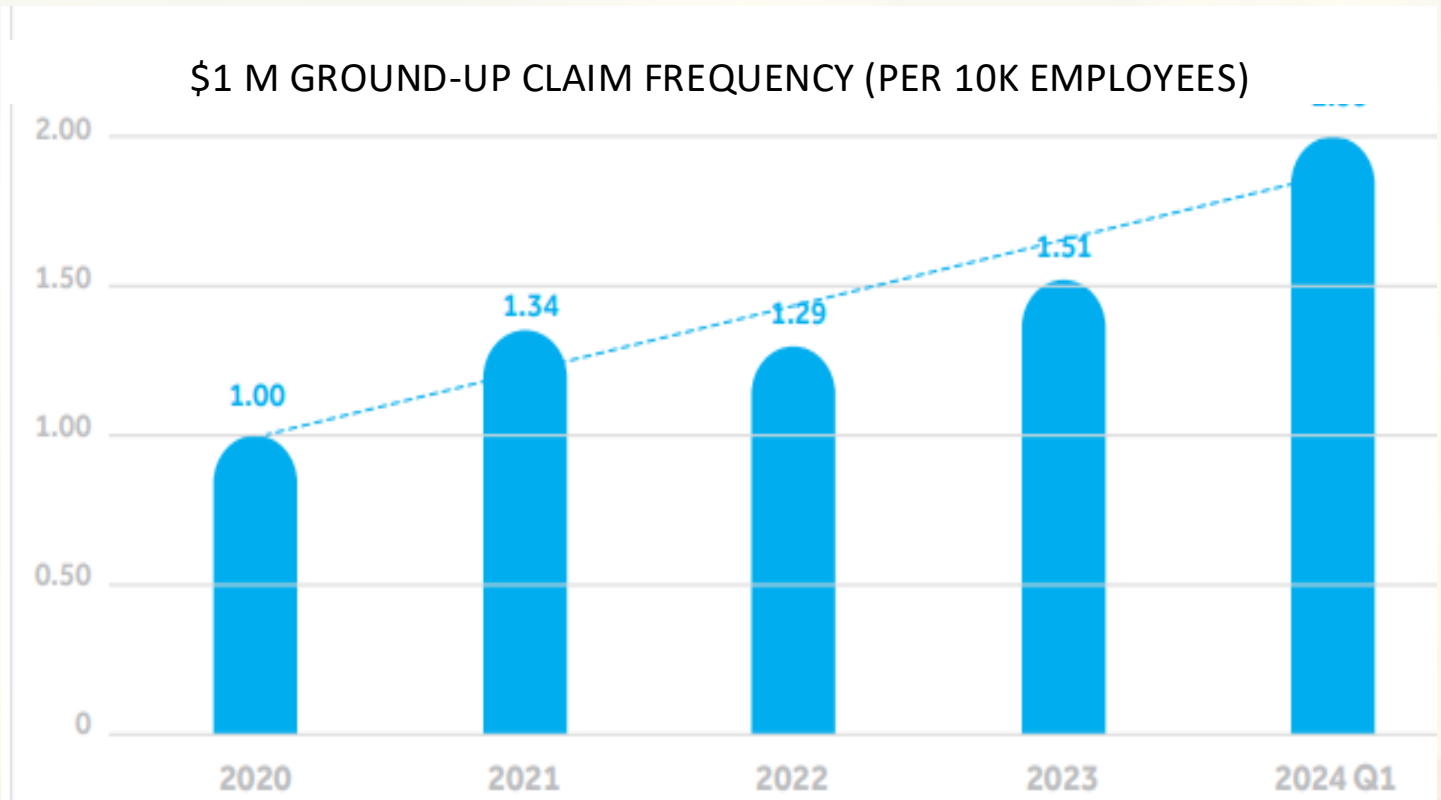
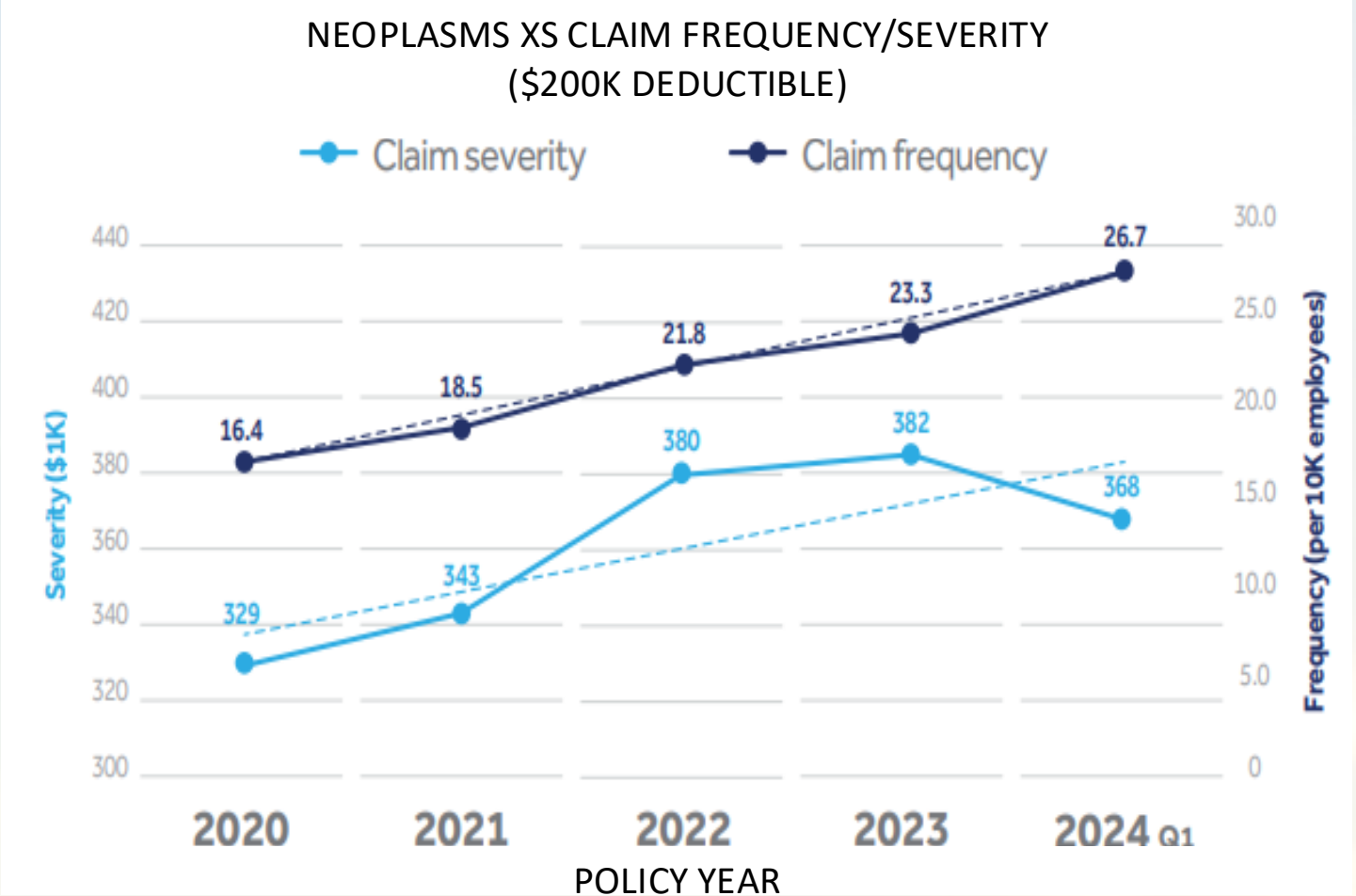
- MEDICAL STOP LOSS HISTORY
- SINGLE PARENT CAPTIVE OWNERS DEMANDING MEDICAL STOP LOSS RISK
- EMPLOYEE BENEFITS CONSULTANTS ARE ENGAGED
- INTEGRATED AND COMMUNITY OWNED HEALTH PLANS USING CAPTIVE INSURANCE
- FRONTING VS ASSUMING RISK
- AI TOOLS CREATING EFFICIENCY AND VOLATILITY

2025 QBE A&H MARKET REPORT

CLAIM FREQUENCY & AVG GROUND-UP CLAIM SIZE BY PRIMARY DIAGNOSIS (\$200K DEDUCTIBLE)



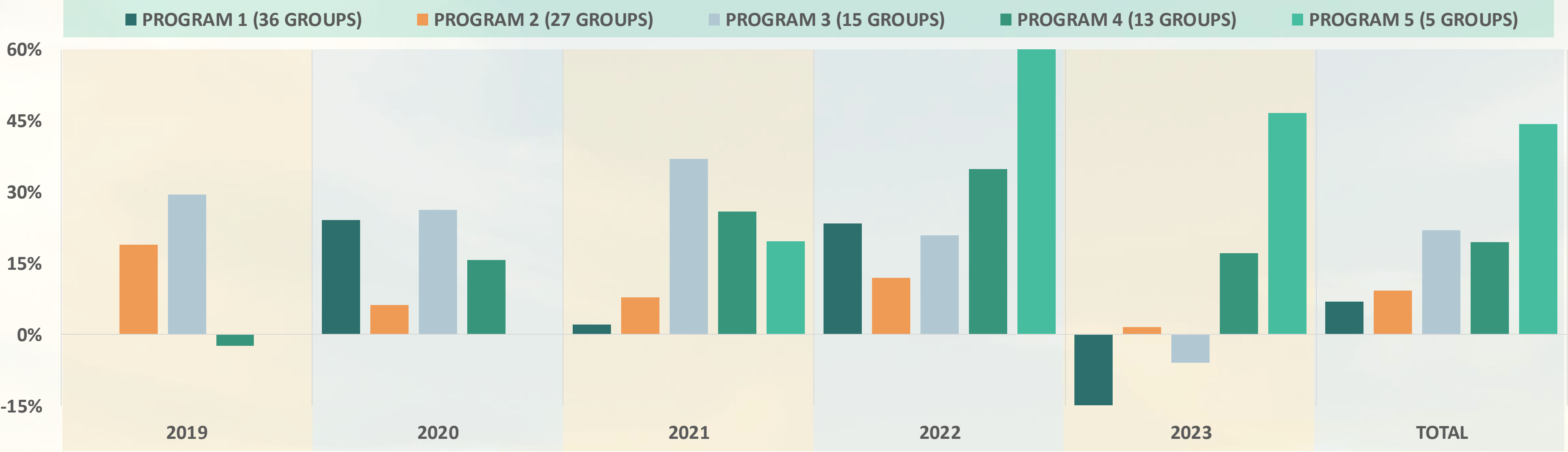
Claim frequency based on Underwriting Years 2020–Q1 2024 for a \$200K deductible size; claims include employees and dependents.



2025 QBE A&H MARKET REPORT

- RECENT STUDY OF QBE’S FIVE LARGEST, FRONTED, GROUP CAPTIVES SHOW > \$17M RETURNED OVER A 5-YEAR SPAN.
- SINCE 2021, QBE HAS TRACKED A 3-YEAR TREND OF 7% ON FRONTED GROSS WRITTEN STOP LOSS PREMIUM USING A CAPTIVE INSURANCE RISK VEHICLE.

% PROFIT/(LOSS) OF GROUP CAPTIVE CEDED PREMIUM



MEDICAL STOP LOSS COST CONTAINMENT

NETWORK STRATEGIES

ALIGNING WITH PREDETERMINED PRICE TABLES TO SET THE ALLOWABLE CHARGES FROM A PROVIDER FOR CARE.

PHARMACY BENEFIT MANAGEMENT

SUPPORTING THE COVERED MEMBER'S PHARMACEUTICAL NEEDS WHILE MANAGING THE UTILIZATION AND COSTS ASSOCIATED FOR THE PLAN.

ADVANCED PRIMARY CARE

ENHANCING THE RELATIONSHIP BETWEEN THE COVERED MEMBER AND THEIR PRIMARY CARE PHYSICIAN.

RISK CARVE OUT PROGRAMS

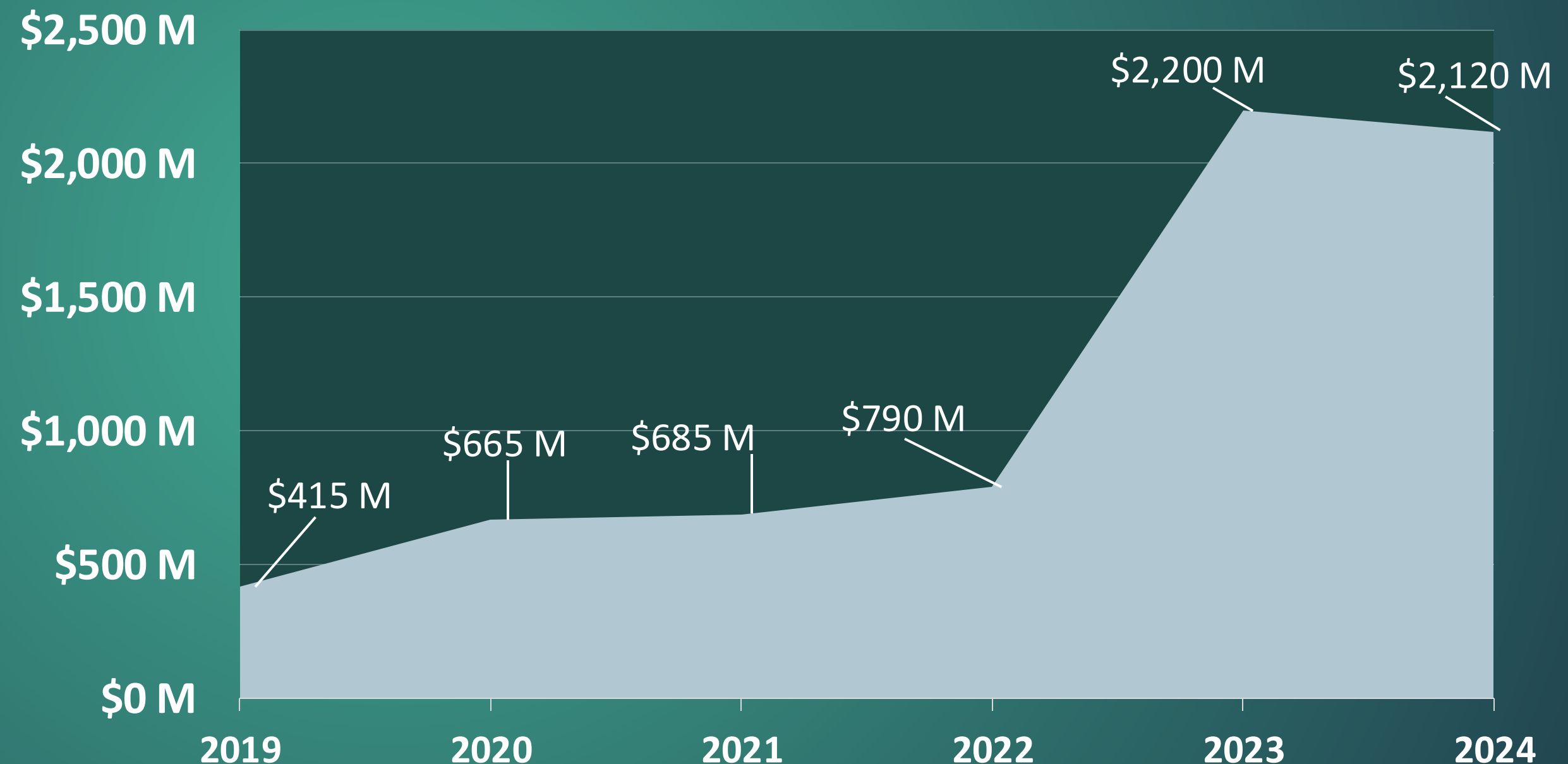
UTILIZING FULLY INSURED AND CARVE OUT REINSURANCE PROGRAMS TO LIMIT HIGH VOLATILITY RISK FROM THE HEALTH PLAN AND STOP LOSS POLICY.

GROWTH OF VERMONT CAPTIVE MSL PREMIUMS

- **GROWTH SPIKE FROM 2022 TO 2023:**

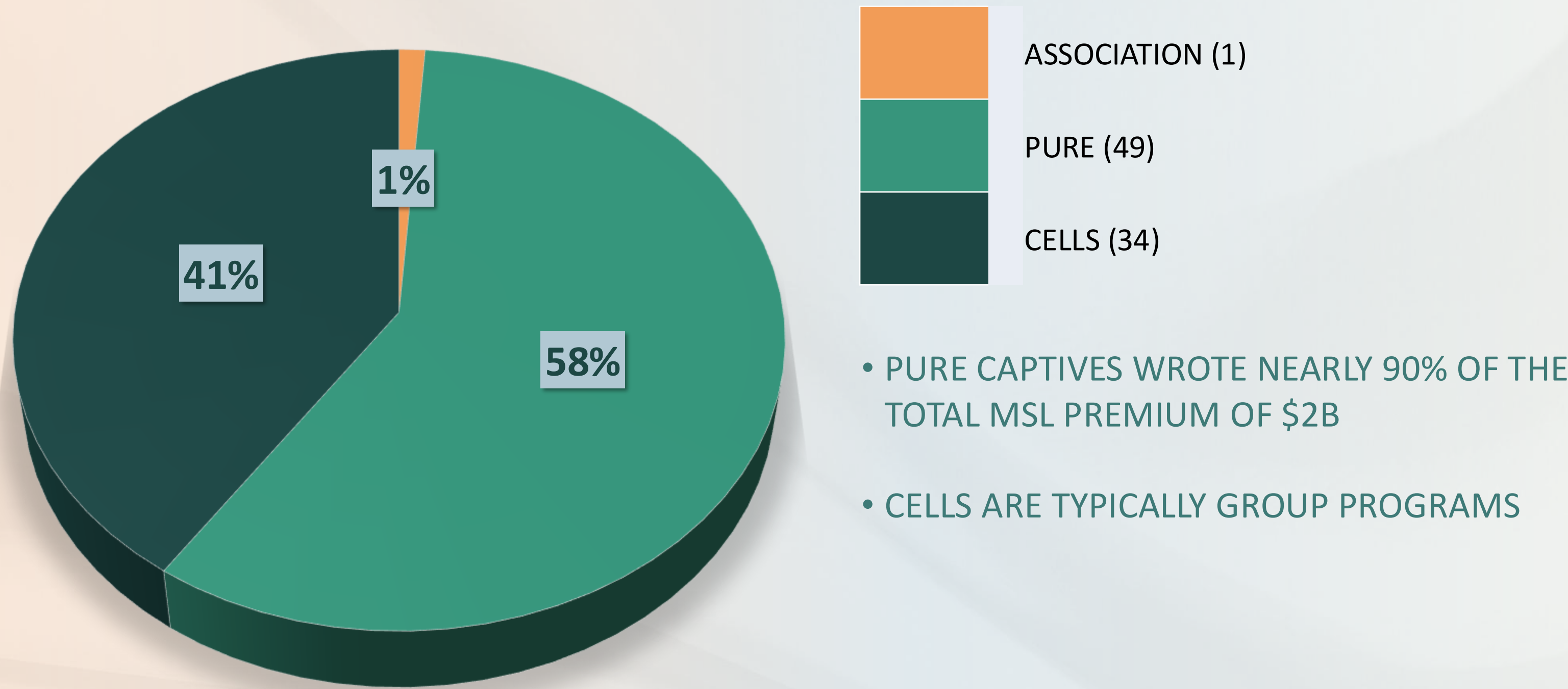
- PREMIUM GROWTH WITHIN EXISTING PROGRAMS
- EXISTING CAPTIVES AND CELLS ADDING MSL NEW LINE OF BUSINESS
- NEW (10 – 15%) CAPTIVE AND CELL FORMATIONS WITH MSL

REPORTED MSL PREMIUM OVER LAST 6 YEARS



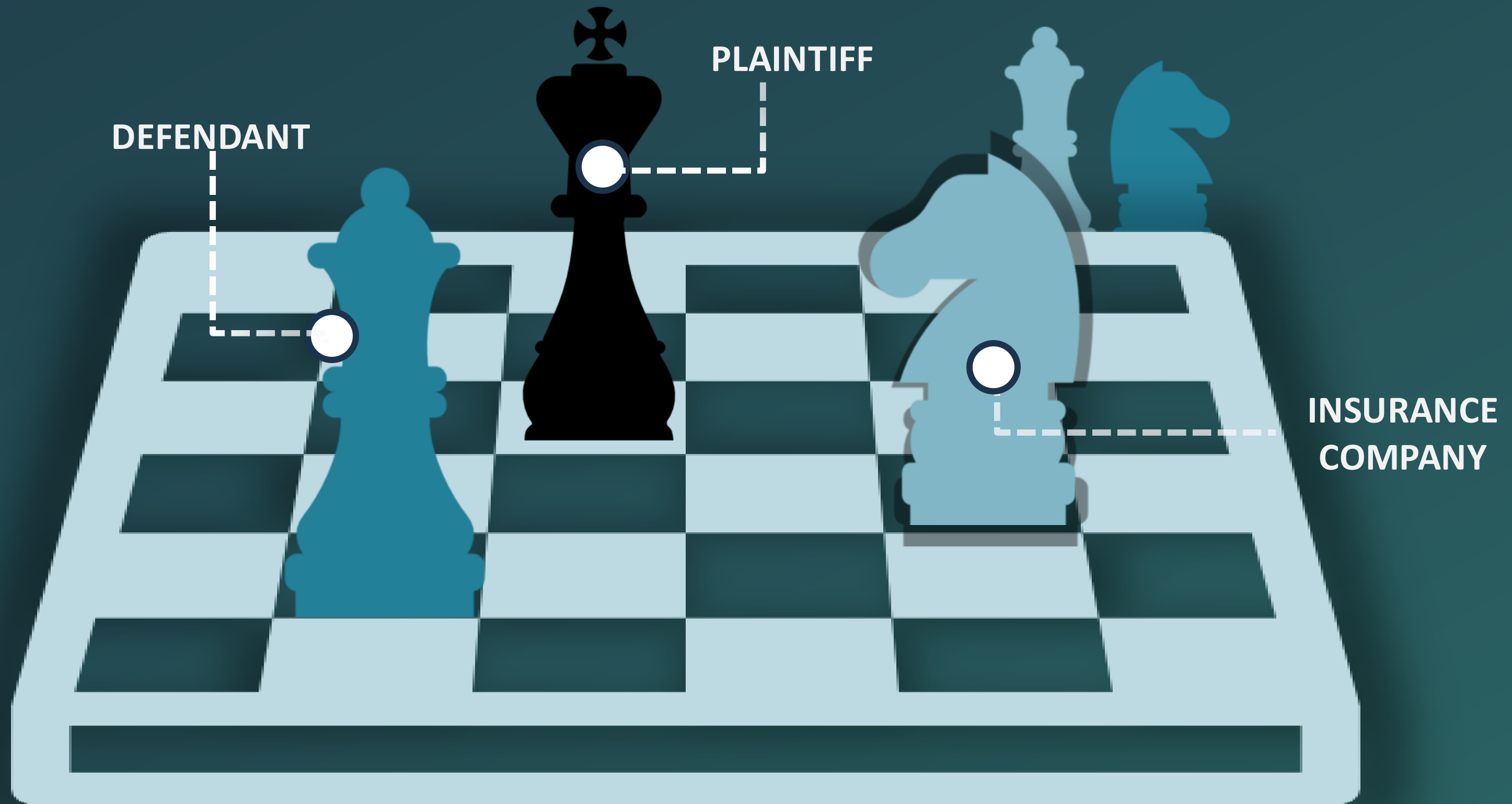
VERMONT CAPTIVE PROGRAMS WRITING MSL

COUNTS & % BY CAPTIVE TYPE



BAD FAITH CLAIMS

THE STRATEGIC MANEUVERS OF BAD FAITH



WHO COULD BE LIABLE FOR A BAD FAITH JUDGMENT?

- INSURANCE COMPANY
- CLAIMS ADJUSTER
- BOARD OF DIRECTORS AND/OR CLAIMS COMMITTEE MEMBERS

PROTECTION | BAD FAITH JUDGMENT & AFTERMATH



INSURANCE POLICIES INCLUDE ARBITRATION AND ANTI-ASSIGNMENT PROVISIONS



EXERCISE GOOD FAITH, FOLLOW THE LAW INCLUDING PROMPT COMMUNICATION AND INVESTIGATION



MAKE SURE INSURED IS FULLY-INFORMED AT EVERY STEP



DOCUMENT YOUR ACTIONS



REINSURANCE PROVISIONS FOR BAD FAITH CLAIMS



COMPREHENSIVE INSURANCE FOR THE ENTITY - D&O, E&O WITH SUFFICIENT LIMITS AND DEFENSE OUTSIDE LIMITS THAT FULLY COVERS EMPLOYEES AND BOARD



What is the tipping point when a claim potentially falls into bad faith territory?





Our organization uses Artificial Intelligence for:

THE GOOD, THE BAD AND THE OVERBLOWN



QUESTIONS?

PANELISTS

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