

THE RIDGE

The official newsletter of Blue Ridge Captive Solutions



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Welcome to 'The Ridge' - Blue Ridge Captive Solutions inaugural newsletter! As a current or prospective client with interest in Blue Ridge Captive Solutions -Industry Best Practices Cell, we would like to offer this newsletter to serve as a resource to you.

We are excited to share in this newsletter a report of some NEW programs and services we will be offering through our Industry Best Practices Captive. We will also be reporting on the growth and successes of our Captive Programs. Lastly, we address East Coast Underwriter's current memorandum pertaining to the ever-changing COVID-19 pandemic.

This newsletter will be delivered on a quarterly basis to our third party administrators and agent partners. We hope that this newsletter will provide some insight into our programs and offer opportunities that may be available for you and your clients. We place a strong emphasis on helping control costs, particularly through our captive programs and hope this brings value to you in considering some of these new options.

Thank you for trusting East Coast Underwriters and Blue Ridge Captive Solutions for your Stop Loss needs on your self-funded plan.

NEW REQUIREMENTS FOR INDUSTRY BEST PRACTICES CAPTIVE CELL

Since 2014, Blue Ridge Captive Solutions Industry Best Practices Cell has required a robust Wellness Initiative as a 'port of entry' for employers joining the captive. Generally speaking, a Self-Funded employer that is willing to embrace an incentive based wellness program that has annual Bio-metric screenings and Health Risk Assessments is more likely to embrace more robust Cost Mitigation and Risk Management strategies.

As of early 2020, East Coast Underwriters (ECU) has introduced two additional participation options that employers may choose from: Direct Primary Care memberships and SimplePay. These options will continue to expand the availability of the captive and promote further cost saving opportunities both with immediate and long-term results.

Direct Primary Care (DPC) is a form of medicine that removes all barriers between a patient and their physician. DPC practices do not participate with insurance companies or PPO networks. Instead, they charge a monthly membership fee that covers all costs for any services rendered within their practice.



Patients have unlimited access to their physician, telephonic consultation, annual bio-metrics and health risk assessments, coverage of labs, same-day sick visits, walk-in privileges, simple office procedures, flu vaccinations, etc. Office visits predominately involve quality time spent between patient and physician - as much time as the patient needs. When integrated with a Self-Funded Health plan, DPC plays multiple roles - very similar to an on-site or near-site clinic.

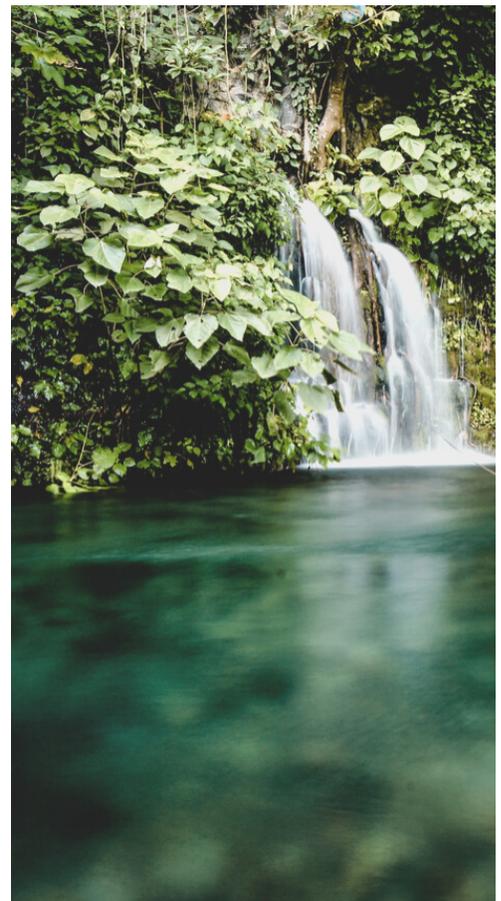
SimplePay is a health plan optimization program that radically transforms health care in a way which solves for the cost and complexity issues employers face. SimplePay promotes usage of the top provider's in an individual's geographic area which have the lowest per episode of care costs, all while using a transparent, cutting edge mobile application. The service is designed to integrate seamlessly through a broad PPO network while offering the savings of up to 20% within a value based program.

Please contact East Coast Underwriters to learn more about the opportunities in implementing DPC or SimplePay on your employer group's health plans and get preferred pricing to join the Industry Best Practices Captive Cell. East Coast Underwriters and Blue Ridge Captive Solutions look forward to continuing to evolve in 2020 and hope that you will be a part of our future!

PROGRESS CONTINUES FOR BEST PRACTICES CAPTIVE

Founded in 2014, Blue Ridge Captive Solutions (BRCS) is a multi-celled Captive Program underwritten by our sister company, East Coast Underwriters, LLC (ECU). The first program started under the Blue Ridge Captive umbrella was the Blue Ridge Captive Solutions - Industry Best Practices Cell. Since inception, Blue Ridge Captive Solutions now has 7 separate "Agency Captive" programs that fall under the Blue Ridge umbrella, not including the Industry Best Practices Cell. These programs, often times referred to as "Leased Cell Opportunities" are joint-venture partnerships that BRCS & ECU have made with respective TPA's, Health-Plans, Medical Centers, Cost Containment Vendors, and Agents/Consultants who participate in a portion of the Stop Loss risk with ECU. It enables our partners to pool their books of business in to their own respective programs and implement their preferred choices of cost containment programs that best fit their client's needs. ECU & BRCS have seen immense successes in these programs; all partners have aligned incentives which subsequently results in leveraging sustainability and ultimately reducing risks by controlling and containing costs.

Blue Ridge Captive Solutions - Industry Best Practices Cell was designed with the employer group in mind. BRCS seeks to achieve economies of scale by allowing Employers to pool their risk in a protected Cell. With the implementation of Industry Best Practices by all groups in the Captive, the cost and volatility is controlled while providing the group the opportunity for profit sharing. This particular Cell does not require employers to post collateral in order to participate. On positive performing treaty years, with incurred loss ratios of 90% or better, the Industry Best Practices Cell agrees to share a portion of the Profits with the complying groups. Since inception in 2014, the Industry Best Practices Cell has maintained profitability in all of the treaties that have closed (run-out), and have returned over \$111,000 to the participating employer groups in the captive cell (2016 Treaty Year).



LOSS RATIOS SINCE INCEPTION



In addition to maintaining profitability in all treaty years since inception, BRCS is proud to announce that we have incurred an **average** effective renewal rate increase of just under 10% for all individual groups. We have also maintained an average retention rate of 85%. ECU & BRCS are optimistic that we will have many more successful years in our future and can maintain minimal renewal rate increases, increase our average retention rate of employer groups and subsequently share in the profits with the complying participating groups on the positive performing treaty years.

CONSIDER INCUBATING YOUR GROUPS FIRST

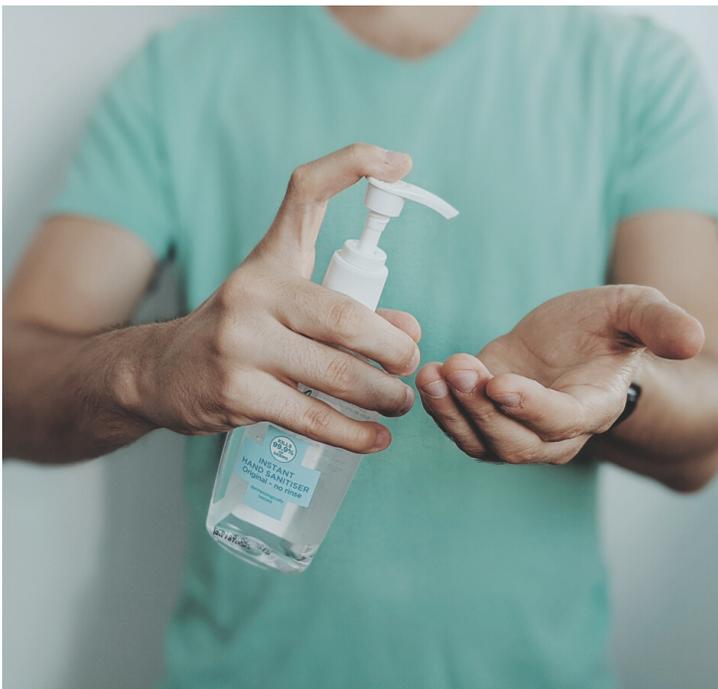
Creating an Agency Captive Cell with East Coast Underwriters and Blue Ridge Captive Solutions is one of the most affordable options in the market to form your own captive program. In order to get started on the right foot, we strongly encourage our partners to consider "incubating" their program first through the Industry Best Practices Cell.

While ECU specializes in underwriting groups that are currently fully insured and transitioning to self-funding, due to little data available and lack of transparent reporting, we recommend building a block in the Best Practices cell first and transitioning over your block that you are comfortable taking a risk position on. Allowing groups to adjust to a self-funded plan model and implementing some initial cost containment strategies helps prepare the groups for a more robust and controlled pool, as well as enables a group to gain at least a quality year of experience to better understand the risk. Please contact us to further discuss your interest in creating a captive program for your clients.

ECU'S RESPONSE ON THE COVID-19 PANDEMIC

East Coast Underwriters is committed to supporting our policyholders throughout the COVID-19 pandemic. We are offering several contract accommodations in order to assist with managing your health plans during this crisis including:

- COVID-19 Testing coverage at 100%.
- Telemedicine visits related to COVID-19 symptoms covered same as COVID-19 Testing as noted above.
- Removal of Prescription refill limitations on maintenance medications to assure up to a maximum 90-day supply is available.
- The Families First Coronavirus Response Act (FFCRA) requires certain employers to provide their employees with paid sick leave and expanded family and medical leave for specified reasons related to COVID-19. These provisions will apply from April 1, 2020 to December 31, 2020.



We will also extend Stop Loss coverage with respect to employees on leave of absence (LOA) or furlough for a period of no more than 90 days while a National Emergency declaration remains in effect with respect to COVID-19, or longer where it may be required by law, provided that the policyholder continues to provide health plan coverage for the plan participants during the LOA or furlough, and the premium is paid timely for the Stop Loss coverage as required by the Stop Loss policy. East Coast Underwriters will continue to monitor regulations regarding COVID-19. Please request a copy of East Coast Underwriter's latest Memorandum to stay up to date on any changes.

ON THE HORIZON

Stay tuned for an upcoming webinar announcement to introduce you to some new vendor partners and further discussions about Blue Ridge Captive Solutions.

For more information please check out our website: www.ecumgu.com

Please don't hesitate to contact one of our Sales Representatives to learn more.



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