

Hot Topics On Campus In Student Health & Accident Insurance

a presentation for the
DMI PRESENTS SERIES

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Presentation Overview



1. Welcome
2. Introduction
 - Student Related Accidents
 - Current Climate
3. Trends and Hot Topics that Affect Colleges and Their Students
 - a.) Student Accident & Health Insurance
 - General Principles for Offering Student Health & Accident Insurance
 - Campus Observations
 - State and National Health Initiatives
 - Options Now Available

Presentation Overview



4. Questions and Answers

Student Related Accidents



- Where are we?
- Data suggests Student Accidents occur in many of our practicum programs.
- Suggested Programs include: Agriculture, Horticulture, Aviation, Construction, Culinary, Health Science, Law Enforcement and Public Safety, Manufacturing and Transportation

Plan Expectations



- Collection of current data.
- Who are we Insuring and why?
- What markets are we looking at?

General Principles for Offering a Student Accident & Health Insurance Plan



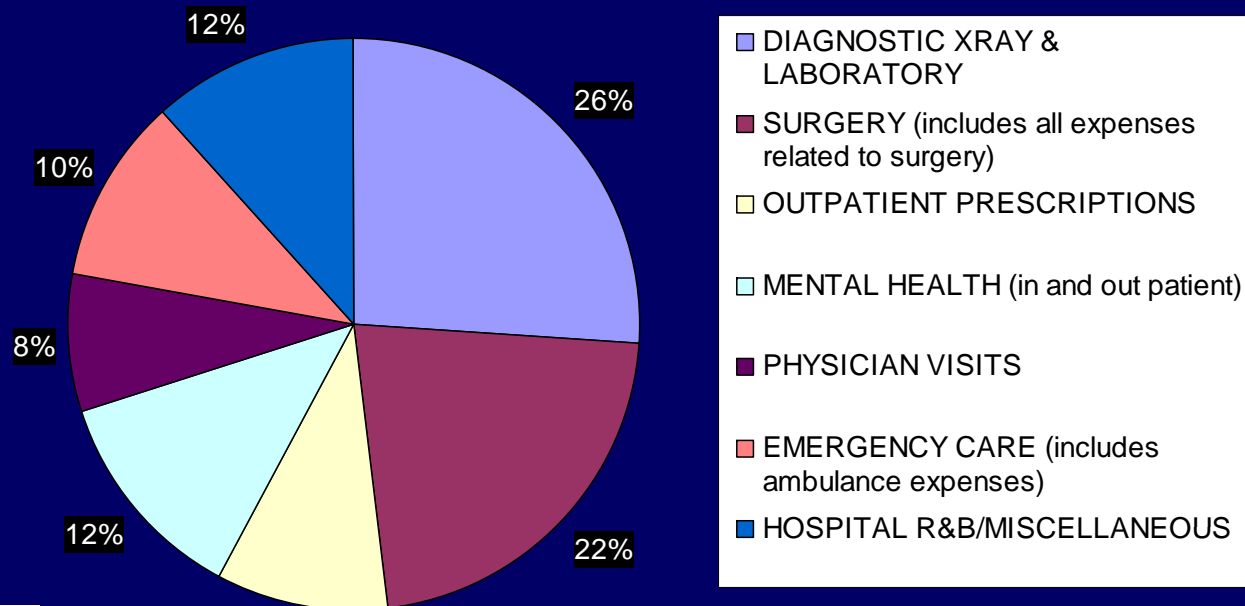
- Provides access to affordable accident and health insurance for students.
- Reimburses Medical Expenses incurred regionally, nationally or internationally outside of the Student Health Center.
- Assists in student retention due to available health insurance (that can be used on a confidential basis) to treat unexpected health problems.
- Students without health insurance don't seek proper health care; this impacts the Public Health Community.

Insurance Needs of College Students



- The majority of students enrolled under the Student Health Insurance Plan are not covered by any other coverage.
- There is an increase in usage for all benefits provided under the Plan by both Undergraduate and Graduate Students.

BENEFIT UTILIZATION BREAKDOWN - STUDENT HEALTH INSURANCE PROGRAM (1)



Data is based on a statistically valid review of our book of business which covers 120,000 lives

(1) These percentages by institution are impacted by the level of State Mandated Benefits (i.e. Mental Health) and the demographic breakdown of Graduates vs. Undergraduates of the Insured Group.

Campus Observations



- As a result of institutions moving to requiring insurance, paying the premium for students and the demographics of students who will need to purchase the health insurance plan, the Colleges are demanding a comprehensive, 'rich' level of coverage, and higher level of customer service for their students.
- On average, 30-35% of the eligible student participate in the Student Health Insurance Plan under a 'Hard Waiver' requirement. Only about 10% of Colleges are on a Hard Waiver program.
- Major Public Institutions are moving to a Health Insurance Requirement through a Hard Waiver process. Definitely in the next 3-4 years a move toward Hard Waiver.
- The average age of a student at a Technical College is 31.

Campus Observations



- Student Health and Accident Insurance Underwriters are getting more “exclusive” and work only with specialty Insurance Agencies in the placement of the products.
- Colleges/Universities employ a significant number of graduate students as Graduate assistants and are required to provide some form of health insurance outside of their standard faculty and staff program.
- Demand for Prescription Drug and Mental Health Coverage for specific students while dealing with the challenges to offer the most coverage for an affordable premium for the majority.
- Desire to include coverage for Wellness Benefits, including vision exam, physical exam, general immunization along with the HPV Vaccine immunization.

Marketplace Challenges & Opportunities



- The recent United HealthCare purchase (December 06) of Student Resources, one of the largest underwriters of Student Health Insurance Programs, has created a major change in the industry.
- Special risk insurance carriers outsource their underwriting and share the claim risk with a managing underwriter as a method to stay in these lines of business (i.e. ACE American, Nationwide).
- Strong regional insurance companies (i.e. Blue Cross/Wellpoint) have entered the marketplace, with aggressive underwriting assumptions and proposed rate structure.
- Existing number of Insurance Companies specializing in this line of insurance will continue; there has been no reduction in capacity.

State and National Health Initiatives



- State-sponsored Universal Health Care Regulations' objective is that all residents are required to have insurance. It is too early to know how successful the recent state legislation will be to meet this goal. Typically, students are not eligible for the state programs.
- Currently, there are proposed Federal Bills in the Senate and the House to require insurers to provide coverage parity for Mental Health Conditions.
- Individual states are considering Health Care Initiatives including a requirement that all full-time College Students carry health insurance, extending eligibility as a dependent to age 25-30, and that full-time College Students can be covered by their parents' Health Plan while on medical leave from school.

State and National Health Initiatives



- Student Health Insurance Plans are filed and approved as 'Blanket Accident & Sickness' policies, which are often subject to various state mandated benefits; this does increase paid claims experience.

Our Current Markets



- United Health Care – Student Resources
- Delos Insurance
- Markel Insurance
- Combined Insurance Company
- Fairmont Specialty (A Division of Crum & Foster)
- Markets that Declined – UNUM, Trustmark

Current Plan Design Options



- Eligibility – All registered students at WI Technical Colleges participating in practicum program are automatically enrolled in this insurance plan
- Schedule of Benefits – Aggregate Maximum per Injury can range from \$10,000 to \$50,000 per injury.
- Deductible - \$0

Plan Designs Continued



- Co-Insurance – 100% of Reasonable & Customary
- Accidental Death & Dismemberment – Principal Sum: \$10,000 to \$50,000.
- Blood Borne Pathogen Expense Benefit – This benefit will cover the actual expense up to the policy maximum for the first 30 days after a possible blood borne pathogen exposure.
- Student Athletes and Intramural Participants.

Voluntary Student Accident & Sickness



- Could be available to all Full Time students, for those who wish to purchase coverage.
- Each carrier will be presenting a voluntary plan.

Cost Variations



- Costs can range from \$7.00 - \$15.00 per student each semester depending on maximums.

Questions and Answers



- Completion Time Frame
- Comments and Input
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