



CASE STUDY

Underwriting Review for Expatriate Medical and Dental Plan Lead to Cost Savings



The Request

Review renewal rates for expatriate medical and dental plan.

Company Profile

Industry: Fortune-ranked construction company

Employees: 500-600

Location: 20+ Countries

The following case study is based on a larger experienced-rated expatriate plan. However, similar principles and processes can be applied to groups as small as ten lives and result in comparable percentage reductions in new business or renewal premiums.

An existing U.S.-based customer asked our International Benefits team to review the latest renewal of its expatriate (expat) medical and dental plan with a leading international carrier. The plan covered several hundred employees across 20+ countries, and the renewal was based on the customer's own claim experience.

The customer was facing a renewal increase of +5%, which is less than the typical international medical trend. The customer had reviewed the standard information provided by the carrier on claim costs, and the renewal calculations appeared to be fully transparent.

However, the renewal constituted a significant increase in annual premium at a time when expenses were being heavily scrutinized. The customer wanted specialists with expat knowledge to provide a second opinion on the carrier's medical and dental pricing methodology to determine if the current plan design could be renewed at existing or lower rates.



The Solution

Reviewed historical claims and additional underwriting factors.

The International Benefits team began by requesting and reviewing more in-depth information on the historical claim experience of the customer's expats. This process identified several larger individual claims and recent but uncommon claim patterns that were not likely to repeat going forward. As a result, the team agreed with the carrier that the projected per member claims for the upcoming year was significantly less than the standard underwriting methodology previously suggested.

Next, the International Benefits team reviewed the underwriting factors beyond claims that go into a renewal rate calculation – trend, IBNR, network savings fees, retention, stop loss and local market partner fees/charges. These costs are often based on standard or historical levels that may not be appropriate for the customer's situation or the current expat insurance market. Our International Benefits team's understanding of expatriate medical and dental pricing allowed them to negotiate a set of customized factors for the customer based on its specific circumstances that helped reduce the plan's ongoing expense basis.

Due to the team's thorough analysis and expatriate medical/dental underwriting knowledge, adjustments were made in both projected claims and the plan's total required expenses. This led to the customer realizing a reduction in its renewal rates versus having increased costs at the current renewal. In addition, the customer is better positioned for future renewals.



The Results

A 12.5% reduction in renewal rates and annual premiums.

Overview of results:

- 5% renewal increase became a **-7.5% reduction in renewal rates**
- Premium savings of **several hundred thousand dollars**
- **Methodology** for projecting claims at future renewals was reset
- **Expense factors** to be used in future renewal calculations were reduced



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