



## **Gravie's stop loss carrier structure seems different from other health benefits companies' approach. How does it work?**

Gravie's stop loss structure is different, and that structure is key to our ability to offer cost effective, level-funded plans to employers. Gravie offers stop-loss coverage through Risk Solutions Insurance Company (RSIC), an insurance company domiciled and licensed in Vermont ("VT").

Employer customers of Gravie join a VT membership association, the Health and Financial Independence Association (the "Association"). Gravie owns the voting stock of RSIC; the Association owns its preferred stock. The Association has established a trust, also domiciled in VT. The trustee is the policyholder of a group excess loss insurance policy issued by RSIC for the benefit of those employer members of the Association who desire such insurance. Each employer member of the Association participating in the Trust's excess loss coverage receives a certificate evidencing the excess loss coverage applicable to that employer's Plan.

If an employer's level-funded plan experiences claims that exceed available plan funds (the monthly funding for claims included in the level premium equivalents that Gravie collects from the employer), RSIC immediately steps in to pay the claims without a gap in coverage. RSIC is regulated by the Vermont Insurance Commissioner and Department of Financial Services (DFR). On July 6, 2021, DFR Commissioner Michael Pieciak announced that its Captive Insurance Division received another five-year accreditation from the National Association of Insurance Commissioners. This accreditation means the department meets national standards for regulation of the financial condition of insurance companies.

Not only does RSIC have its own capital to cover claims, but it has also chosen to reinsure some of its liabilities through well-established reinsurance companies, including companies like RGA Reinsurance Company and AXA XL Reinsurance, both of which hold an A+ rating from A.M. Best.<sup>1</sup>

Like other captive insurance companies, RSIC doesn't get reviewed by rating agencies. Nonetheless, Gravie's clients can be confident they have well-regulated plans with the full backing of A+ rated reinsurance carriers because of our reinsurance structure and the reinsurers with whom we partner.

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<sup>1</sup> Reinsurance partnerships and ratings as of August 1, 2021.