

## Fully-Insured? It'll Cost You.

Self-funded insurance sounds risky—and expensive. But mid-sized employers have options, and no longer have to do it alone. Help clients access the key benefits of self-insurance with ParetoHealth.

### Healthcare Cost Comparison

#### Fully-Insured

**Insurance premium, used to pay for claims (no chance for savings on good years)**

On years with low claims, costs are higher than claims incurred and the surplus doesn't return to the employer

**Fixed costs (admin fees + carrier profits + reserve funds)**

Higher fixed costs go towards carrier's operating expenses



#### Self-Insured

**Risk for maximum liability**

On years with high claims, employers risk spending more to cover the claims themselves

**Opportunity to save each month**

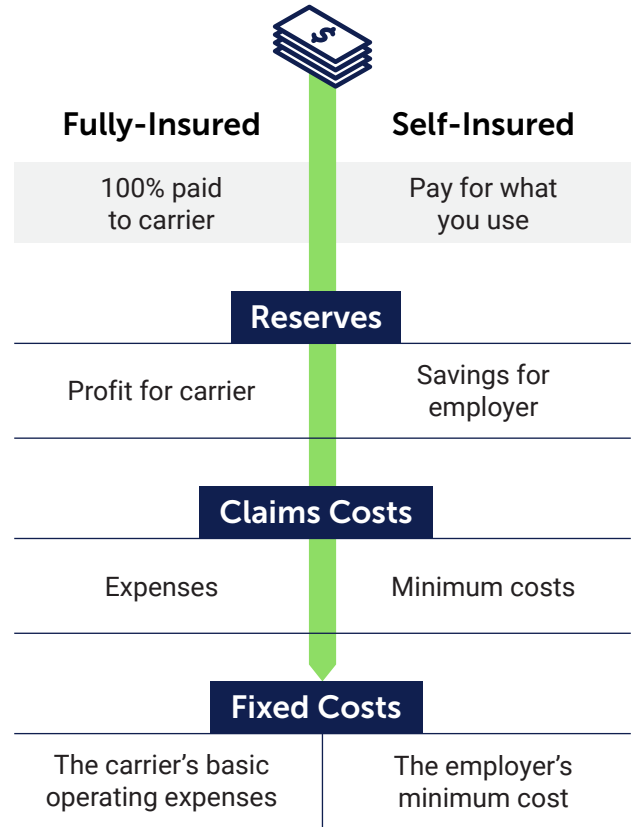
But they also stand to save the most on years with low claims

**Employer pays for claims as incurred**

**Fixed costs**



### Where Does the Employer's Money Go?

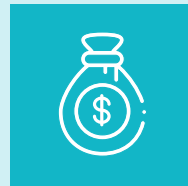


### Two Key Advantages of Self-Funding



#### Full control over healthcare spend

Employer can optimize their spending by choosing exactly which benefits they want to offer.



#### Significant savings on good years

Low claims contribute to decreased annual costs; employer is free from guaranteed renewal increases on a fully-funded plan.

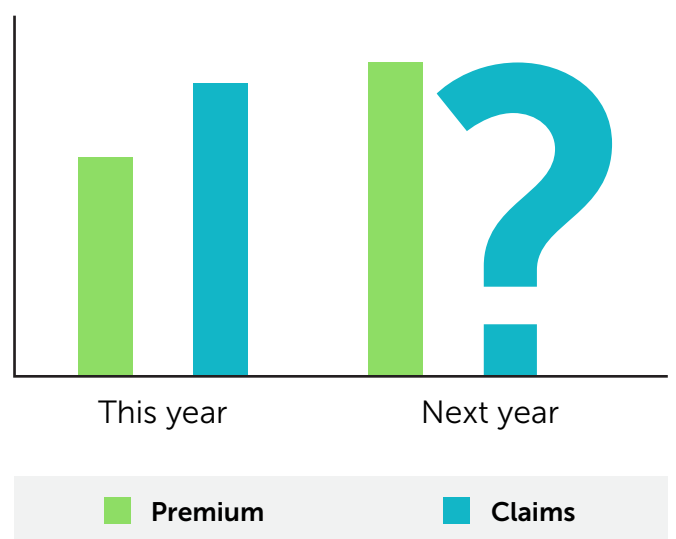
### Deferred, Not Insured

#### If an employer is fully-insured, they're not getting away from their claims

Employers don't just pay for their premiums and walk away from their smaller claims. Their premium is a deposit against their projected claims. And if and when there is a profit, the carrier keeps it. If there is a loss, the carrier covers their bases at renewal through a big increase.

#### Next year's premiums are determined by this year's claims

A fully-insured employer's premium is essentially last year's claims adjusted for medical inflation with expenses on top.



Make self-insurance—without the risk and volatility—a reality with ParetoHealth.

Drop us a line at [learnmore@paretohealth.com](mailto:learnmore@paretohealth.com).