

Newsletter Date - Spring 2011

In This Issue

- How do you Know if a Self Insured Athlete Accident Program is Right for You?
- Program Requirements
- Considerations - positive and negative
- Don't Forget!

For More Information:

Specialty Insurance Solutions, Inc.

At **Specialty Insurance Solutions (SIS)** we provide extensive and practical experience with unique insurance products for student health, sports accident, events, promotions and special risks. SIS services provide clients a two-fold advantage: our decades of experience in these specialized fields and our exclusive market relationships provide you with the most comprehensive and cost effective programs available.

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Another Installment of the E-Athletic Administrator Advisor

Specialty Insurance Solutions, Inc. is pleased to provide our latest E-Athletic Administrator Advisor. This newsletter is distributed periodically to select college and university intercollegiate athletic administrators nationwide. The newsletter will keep you up to date on current issues regarding athlete health, training room operations and student / athlete health insurance topics.

How do you Know if a Self Insured Athlete Accident Program is Right for You?



Increasing insurance premiums - no one likes them - if it involves your home, auto or health insurance (don't get us started w/ health care reform!). Your school's athlete accident insurance program is certainly no different. In our last newsletter, we addressed the issue of uninsured athletes. While that remains a critical component to the success of a program, some are starting to ask - 'What if we just insured this ourselves?'

Let's take a look of some of the realities of such a structure. It is our belief that a self insured program makes the most sense if the following parameters are in place for a school:

- Consistent annual loss history over \$100,000
- Specific procedures in place to account for the self funded dollars
- Qualified Third Party Administrator adjudicating claims
- Stop loss insurance policy in place

If these parameters exist in your institution you may want to consider a self insured program; some of the benefits follow:

- Lower plan expense (no insurance company fees)
- Savings go to the school, not the insurance company
- Actual cost is spread throughout the year as claims occur

Sounds good, right? Before you ask - 'Where do I sign up?', it's important to be aware of several other realities of a self insured program; here they are:

- It's risky; even with historical loss information available, one worse than expected year could have significant financial ramifications to the school, particularly if a Stop Loss product is not in place
- Even with a Stop Loss product in place, most insurance companies use an attachment point of 120-130% of expected losses so the out of pocket expenses can still be substantial
- Management of the program's cash flow can be unpredictable and complicated depending upon the flow of payments in given year

With medical expenses expected to continue to climb, it is only natural - and prudent - that institutions consider all options for their athlete accident insurance program.

So, is a self insured program right for you? Like most decisions applicable to your program, only you can make that call but being informed is an important part of the process.

Whatever program best fits your school, it is important to ensure that you are utilizing the consistent components of solid risk management such as proper handling of uninsured athletes, significant medical network discounts and efficient claims handling. Of course, working with a qualified insurance representative in this specialty niche is a must in accomplishing these goals.

Don't Forget -

As you prepare for your 2011-12 athlete accident insurance renewal, it is important to check on the status of previously negotiated discounts with your preferred medical providers. These are often significant savings that can have a positive impact on your program's loss experience. If this is a process left to your insurance carrier, check with them to ensure that you are receiving the maximum discounts available for your particular area.

Paul Mayo – founder of Specialty Insurance Solutions, Inc. has 20 years experience in the student health insurance industry and is a leading provider of insurance products, consultation and plan administration for colleges and universities nationwide.

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