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E-Student Health Advisor

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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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Welcome to the E-Student Health Advisor

Specialty Insurance Solutions, Inc. is pleased to announce the release of their E-Student Health Advisor. This newsletter will be distributed quarterly to select college and university health administrators nationwide. The newsletter will keep you up to date on current issues regarding student health, health center operations and student health insurance topics.

How is your institution dealing with uninsured students?



Let's face it; about the only thing anyone knows with certainty about the state of the health insurance industry is that there is massive uncertainty!

So how are you, one of your institution's primary conduits for student health insurance, supposed to deal with this landscape as your renewal is approaching – particularly as it relates to the population of uninsured and underinsured students?

First, let's look at some facts, as noted in the recent ACHA survey (Spring 2007). More than 14% of college students were uninsured with this percentage significantly increasing within various demographics. While this figure does not vary greatly from the overall percentage of uninsured Americans during the same time period (15.8% according to the U.S. Census Bureau), it is very likely that both percentages have increased in the past 1-1½ years as a result of a weakened economy and the corresponding job losses.

It's not as though the situation is being ignored in the collegiate world. According to a 2008 report by the Government Accountability Office, about 30 percent of colleges nationwide and 71 percent of four-year, private, nonprofit institutions require students to have health insurance during the academic year.

But how is your program being impacted by the uninsured and what can you do about it?

We will address this issue in each of the following student health insurance program formats:

Voluntary Programs - As the economy weakens the financial ability of individuals to afford insurance decreases. Typically there is a reduction in enrollment on voluntary plans during these times. However, those students who have existing medical conditions or know they will likely incur medical charges in the near future enroll or stay enrolled. Unfortunately this leads to adverse selection and high utilization of the insurance plan without any spread of risk among healthy students. High utilization of the plan ultimately drives the cost of insurance up and the affordability down. Ultimately the price of a voluntary plan can become out of reach for those students who need it most while those students with no known short term medical needs simply don't buy it. As you can surmise, a voluntary program will be negatively impacted during difficult economic times.

Waiver Programs - Waiver programs offer some protection from the adverse selection mentioned above. However, institutions typically administer their waiver programs in many different ways. History has shown that the most effective program involves a "tight waiver" administration. Under such a program, the institution requires that the student show proof that they have insurance coverage comparable to that offered by the school - otherwise the student must purchase the school's coverage. This ensures that the insurance requirement is being met while eliminating the possibility of the student being uninsured.

While a "tight waiver" program may make sense for your institution, it should be noted that when making any changes to your existing insurance program it is important to start the process early and with the assistance of your university risk management department and/or a qualified insurance representative.

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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