

Group Captives for Health Benefits

A group captive lets several employers share part of their health claims risk instead of passing all of it to a carrier. Here is how it compares.

	Fully insured	Self-funded	Group captive
Risk	The carrier	The employer, up to stop-loss limits	Shared: each member keeps smaller claims, the group shares larger ones
Cost	Set at renewal	Varies with your own claims	Varies, with the chance to share in favorable group results
Claims data	Limited	Detailed	Detailed
Plan design	Carrier's filed plans	Flexible	Flexible
Underwriting	Carrier rating	Carrier or stop-loss review	More involved than a typical renewal

OFTEN WORTH A LOOK FOR

- Mid-sized employers with stable finances and some comfort with risk
- Groups that want claims data and more say in plan design

TRADEOFFS TO UNDERSTAND

- Claims exposure is shared, so results can be unfavorable as well as favorable
- Terms vary: some captives ask for multi-year commitments or collateral
- Not every employer qualifies; census, claims history and funding all matter

QUESTIONS TO ASK

- What do we keep, what does the group share, and what is reinsured?
- What are the commitment and exit terms?
- How would our group be underwritten?

Takeaway: A captive changes how risk is shared, not how employees understand their coverage. Fit depends on your census, claims experience and current funding.