

# STOP LOSS



D. W. VAN DYKE & CO. INC.

## Who We Are

DWVD is a full service Life, A&H and Special Risk intermediary that has been active in the Self-Funded Medical business since our founding in 1978. The company is located in Shelton, CT.

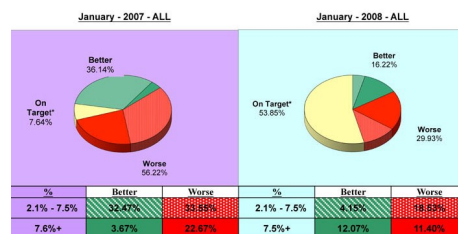
Our team of employees includes Contracts, Compliance, Market Support, Reinsurance Administration and Account Executives. DWVD manages over 70 Carrier and MGU Stop Loss arrangements (Excess and Quota Share) representing almost \$1 billion of annualized Stop Loss premiums in force.

**You can't  
manage  
what you  
can't  
measure.**

Health Insurance accounts for more than 80% of DWVD business, 75% of which is Stop Loss. Our proven long term commitment to this industry has resulted in Stop Loss representing over 60% of our Company's revenue.

DWVD provides relevant industry measurements to assist its Stop Loss clients in their own management and strategic planning efforts. We have a dedicated history in the Stop Loss business. Our significant base of clients and reinsurance partners combined with our considerable industry

data allows us to quickly provide our customers with current and accurate market information. This enables our clients to better measure their own progress (positive and negative) and initiate improved strategies as needed for growing their business profitability.



## DWVD Stop Loss Services

DWVD delivers competitive Quota Share and Excess Reinsurance terms. As a full service intermediary, DWVD provides the following:



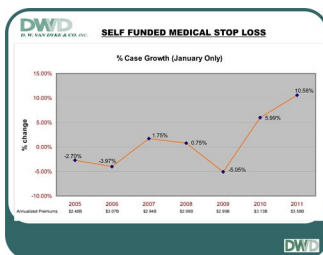
- Treaty Documentation
- Contract Analysis
- Reinsurance administration
- Actuarial and underwriting services
- Insurance company partners for our customers
- Product development assistance
- Vendor programs (claims, underwriting, disease management, etc.)
- Acquisition and distribution opportunities
- Market Intelligence and Industry trends
- Policy review and market analysis
- Reinsurance review and analysis

### Unique DWVD Survey Services

DWVD provides its Stop Loss clients with historical industry trends, personalized market profiles, and industry rankings in a variety of areas. These profiles and rankings compare a client's historical Stop Loss results to those reflected in DWVD's various Stop Loss Surveys.

Some of this information includes:

Premium Growth	Case Growth
Premium Persistency	Case Persistency
Renewal Premium Increases	New Premium to Renewed
Average Case Premium	Leveraged Renewal Increase
New Business Premium	January Premium Concentration
Closing Ratio	Large Claim Trends



In addition, DWVD provides its Stop Loss clients with tailored management reports and consulting incorporating DWVD survey data, industry results, competitive analysis, and industry trends. Reports can be provided in printed or electronic format for sales conferences, industry meetings, Best's meetings, analyst meetings, etc.

## DWVD Stop Loss Survey

Developed in 2002 with 13 participants and \$500 million of annualized Stop Loss premium, DWVD's current Stop Loss Surveys have grown to \$6 billion of annualized premiums. Its success is the result of the significant information provided by the Direct Carriers and MGUs who participate, the total confidentiality that applies to all survey data, and the continued efforts of DWVD to manage, maintain, and validate survey information. It is the largest survey of its kind in the Stop Loss industry.

- Semi-annual (January 1 and July 1) survey results and analysis are based on:

- Persistency (Premium and Case)
- New business
- Growth (Premium and Case)
- Renewal Premium Increases

- Additional surveys:

- Large claims
- Leveraged trend
- Trend by SIR
- Closing Ratio
- Target loss ratios



### Employer Medical Stop Loss Persistency and New Business Survey

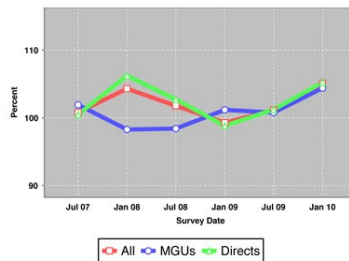
Industry

\$'s in \$1,000's

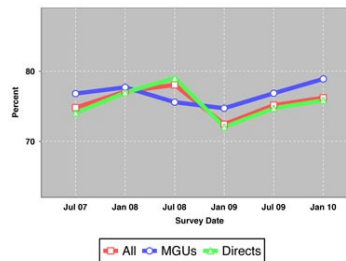
As of 05/04/2010  
v15.251

Description	Total Inforce Gross Annualized Premiums			Total Inforce Cases			Business Available for Renewal 1/1/2010 - 1/31/2010		Business Renewed 1/1/2010 - 1/31/2010			New Business Written 1/1/2010 - 1/31/2010			
	Beginning Date 12/31/2009	Ending Date 01/01/2010	%	as of 12/31/2009	as of 01/01/2010	%	# Cases	Gross Annualized Premium	# Cases Renewed	%	Gross Annualized Premiums	%	Gross Annualized Premium	% of 01/01/2010	# Cases
All	\$3,145,097	\$3,305,873	105.11%	9,743	9,987	102.50%	4,075	\$1,575,063	2,941	72.17%	\$1,200,374	76.21%	\$547,341	16.56%	1,378
Directs	\$2,688,326	\$2,829,014	105.23%	7,811	8,005	102.48%	3,348	\$1,383,466	2,403	71.77%	\$1,049,226	75.84%	\$485,396	17.16%	1,139
MGUs	\$456,771	\$476,859	104.40%	1,932	1,982	102.59%	727	\$191,597	538	74.00%	\$151,148	78.89%	\$61,945	12.99%	239

Premium Growth



Premium Persistency



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## Actuarial and Underwriting Services

Through its ongoing strategic relationship with strong, independent healthcare firms, DWVD is able to offer a variety of Actuarial and Underwriting services to its customers. These services are tailored to meet the particular needs and requirements of DWVD customers based on their own expertise and the structure and scope of their reinsurance arrangement(s). Pricing to be agreed.

- Underwriting Effectiveness Review
- PPO Network Review/Analysis
  - Review current approach
  - Compatibility with pricing
  - Alternate approaches
- Pricing
  - Review current manual
  - Impact of networks
  - Underwriting practices (lasers, tier rating, experience rating)
  - Underwriting flexibility
  - Development of pricing models
- Capital Modeling
  - Stochastic modeling
  - Reinsurance, captive impact
  - Impact on “at risk” capital
- Financial Review
  - Results
  - Reporting/reserving
- Product Development
- Data mining
- Large data set analysis
- Other

