

# Company, Financial & Product Overview



HM Insurance Group (HM) creates solutions to help protect employers and health care entities from the financial risks associated with health care costs. With nearly 40 years in the market, HM is among the top carriers nationally for Stop Loss insurance,\* protecting self-funded clients from the financial loss associated with unexpected large or catastrophic claims. The company also provides Managed Care Reinsurance to risk-bearing entities such as providers and payers and recently began offering HM Specialty, a line of accident and health specialty reinsurance coverage for accident and health carriers.

Backed by sound business practices and financial judgment, HM uses a stable business model and risk management expertise to underwrite and service the risk exposures of our customers. Our strong relationships with producers, partners and clients help to give them confidence in our ability to address a range of situations relating to health care costs as we work to deliver smarter solutions, better performance and unparalleled support in guarding the financial health of our policyholders.

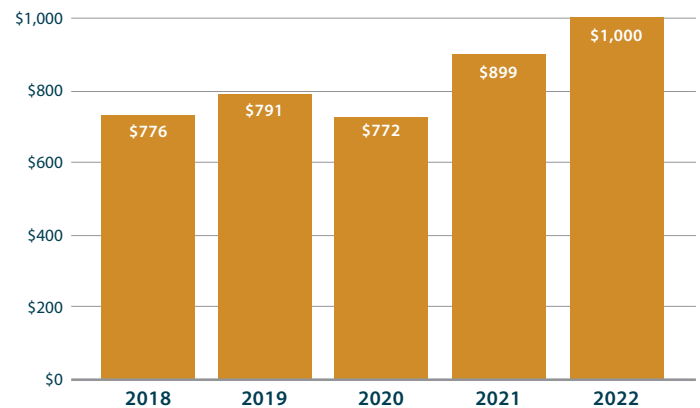
## HM FAST FACTS

- HM Life Insurance Company, Highmark Casualty Insurance Company and HM Life Insurance Company of New York are all rated "A" (Excellent) by AM Best Company\*\*
- The company has annual gross revenues of \$1.3 billion
- HM paid more than \$750 million in claims in 2022
- Through its insurance companies, HM holds licenses in 50 states and the District of Columbia and maintains 17 offices nationwide

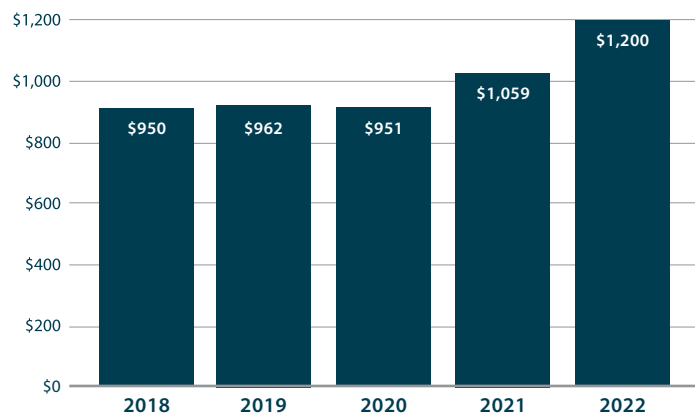
## Financial Strength

HM focuses on smart, controlled growth, resulting in solid financial results year after year. Prudent rate development, pricing and risk selection are fundamental to our increasing market share, helping to ensure that business growth is managed appropriately. In order to meet our product guarantees, HM, as a regulated entity, sets aside reserves and capital to safeguard our financial commitments to our clients, and each of the HM companies has reserves and capital that exceed the levels required by regulators.

## Stop Loss Gross Premium<sup>†</sup> (in millions):



## HM Gross Premium (in millions):



## HM Stop Loss

Helping to protect self-funded employers from catastrophic claim costs requires an expert understanding of self-funding and risk. HM markets exclusively through producer relationships and uses a consultative approach to create solutions to meet each employer's unique risk needs. Through our experience in managing risk, we design Stop Loss programs that help to minimize self-funded employers' financial liability. And an array of deductibles and contract periods enables us to structure plans that work to satisfy the potential claim risks specific to each group.

### Some HM Stop Loss product features include:

- Specific and Aggregate coverage
- Wide range of contract periods - 12/12, 12/15, 12/18, 12/24, 15/12, 18/12, 24/12
- Aggregate coverage maximum up to \$2,000,000 per policy period
- Specific deductibles from \$25,000 to \$2,000,000
- No new lasers or increase to existing lasers at renewal
- No signed disclosure form required at renewal

### Optional features include:

- Aggregating Specific Loss Fund
- Specific and Aggregate Terminal Liability
- Monthly Aggregate Accommodation
- Advance Funding
- Bridge Renewal

## Managed Care Reinsurance

Our Managed Care Reinsurance product line provides risk management for health plans and providers. By developing products that reflect the changing dynamics of the health care market, we have substantial resources to help provide clients with the right products and expertise to address current market conditions with essential risk management and protection.

Products include Health Plan Reinsurance and Provider Excess Loss Insurance.

With these Managed Care Reinsurance products, integration and value-added services go beyond reinsurance to help assist clients in effectively managing their health care risk while also helping to optimize financial outcomes. We provide support across the entire spectrum of risk, working to avoid the need to split risk management coverages among multiple carriers.

For more information, contact your HM sales representative or visit [hmig.com](https://www.hmig.com)



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## HM Specialty

In October 2022, HM Insurance Group launched HM Specialty, a line accident and health specialty reinsurance for accident and health carriers seeking financial risk protection. A team of focused, tenured leaders in this space works to develop custom, client-specific solutions for each customer's needs. The coverage is backed by nearly four decades of excess risk experience and excellent operational capabilities that were built to support the company's well recognized Employer Stop Loss and Managed Care Reinsurance lines of business.

## HMConnects™ Cost Containment Program

It's important to have methods for containing costs in place before a claim is even on the horizon. After all, the ability to control costs may be far less successful when efforts are made after the fact. Unmonitored claims can rise quickly, with significant implications, so incorporating a cost containment strategy from the very beginning enables better management of high-dollar claims that could have the potential to escalate to catastrophic levels.

At HM, we use data and trend observations; smart business practices like the proactive oversight of claims; and knowledge of vendor engagement opportunities to make recommendations that can help our clients and/or their administrators gain better control of claim outcomes and costs. This approach is executed through our HMConnects™ cost containment program.

As part of HMConnects™, our insightful and engaged team of cost containment specialists and our expert, in-house Pharm.D. work with TPAs, plan administrators, ASO providers and others involved in our clients' claims processes to help bring more knowledge of ways to better control the scenarios driving high-dollar medical and pharmaceutical claims.

Company statistics gathered through HM Insurance Group January 2023 Line of Business Report and other HM Insurance Group internal analysis.

<sup>\*</sup>MyHealthGuide, LLC, September 2022. <sup>\*\*</sup>AM Best Company, October 2022. <sup>†</sup>Stop Loss Gross Premium 2018–2022 includes both Stop Loss and Managed Care Reinsurance premium, as both are considered "Medical Excess Loss" for financial reporting purposes.

Stop Loss coverage is underwritten by HM Life Insurance Company, Pittsburgh, PA, in all states except New York under policy form series HMP-SL (08/19) or HMP-SL (06/20) or similar. In New York, Stop Loss coverage is underwritten by HM Life Insurance Company of New York, New York, NY, under policy form series HMP-SL (06/20) or similar. In all states except New York, Managed Care Reinsurance coverage is underwritten or reinsured by HM Life Insurance Company, Pittsburgh, PA, or Highmark Casualty Insurance Company, Pittsburgh, PA, under policy form series HM PEL 1105, HC PEL 1105, HMP PEL (08/19), HMP PEL (09/20), HML 1105 ELR, HMC 1105 ELR, HM 1005-ELR or similar. In New York, Managed Care Reinsurance coverage is underwritten under policy form series HMNY PEL 1105 or similar or reinsured by HM Life Insurance Company of New York, New York, NY. In all states except New York, Accident & Health Specialty Reinsurance may be reinsured by HM Life Insurance Company, Pittsburgh, PA, or Highmark Casualty Insurance Company, Pittsburgh, PA. In New York, coverage is reinsured by HM Life Insurance Company of New York, New York, NY. The coverage or service requested may not be available in all states and is subject to individual state approval. Reinsurance agreements only reflect a form number when required by applicable state law.