# Medical Stop-Loss Premiums Increase by More Than 8%

As the number and value of high-amount healthcare claims continues to grow, stop-loss coverage provides important asset protection and cost predictability, particularly for self-funded plans, smaller groups and those with modest cash reserves.

This infographic presents key information about stop-loss coverage from the 2023 dataset in Segal's national medical stop-loss database.

96%
of plans **purchased broad coverage** that covers medical and prescription drug claims.
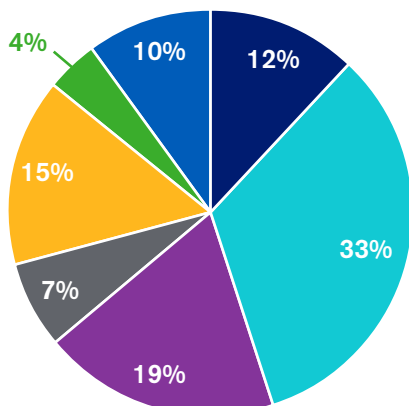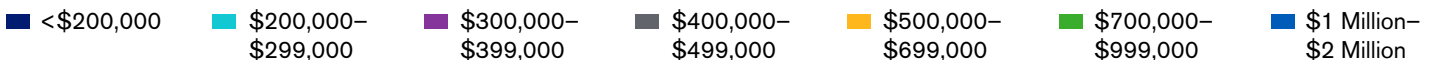(up from 95% in the 2022 dataset)
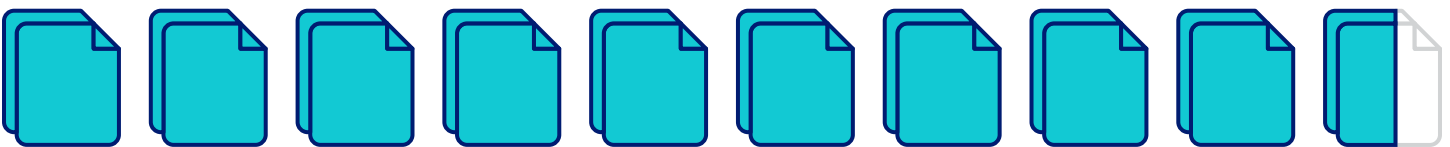
A growing number of therapies can **exceed $1 million** annually in Rx paid claims for a single individual, such as Carbaglu®, Myalept®, Ravicti® and Zokinvy®, according to SHAPE, Segal's medical claims data warehouse. Some therapies are priced **over $2 million**, including Zynteglo® ($2.8M), Skysona® ($3M) and Hemgenix® ($3.5M), according to FIERCE Pharma. Stop-loss policies that cover these treatments provide valuable protection.
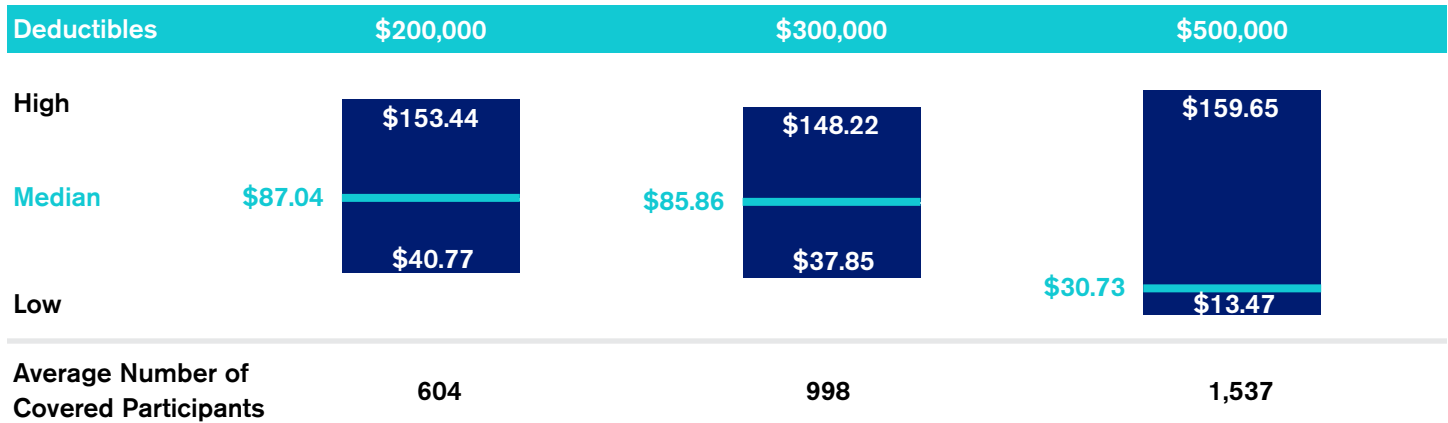
High-cost claimants with $100,000+ paid annual claims over the last two years accounted for less than 1% of all claimants but **28% of total medical plan claim expenses**, based on data from SHAPE.

Specific **stop-loss deductibles** continue to vary widely.

- ■ <$200,000
- ■ $200,000–$299,000
- ■ $300,000–$399,000
- ■ $400,000–$499,000
- ■ $500,000–$699,000
- ■ $700,000–$999,000
- ■ $1 Million–$2 Million

Pie chart:
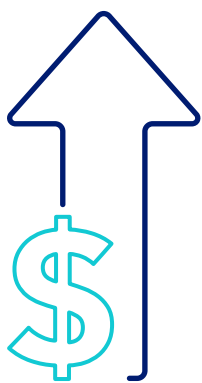- 12%
- 33%
- 19%
- 7%
- 15%
- 4%
- 10%

$250,000 is still the most common deductible, which 10% of plans have.

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Average per-participant **premiums are higher** at lower specific stop-loss deductibles.

Deductibles	$200,000	$300,000	$500,000
High	$153.44	$148.22	$159.65
Median	$87.04	$85.86	$30.73
Low	$40.77	$37.85	$13.47
Average Number of Covered Participants	604	998	1,537

The data above excludes plans that have an aggregating specific deductible.

13.4% average premium increase for groups that maintained similar specific stop-loss benefit levels as prior year

8.4% average premium increase for all groups including groups that increased specific stop-loss deductible levels and/or aggregating specific stop-loss deductibles resulting in an overall reduced rate action

Factors that affect a plan's premium and premium increases:

- Demographics
- Claims history
- Regional differences
- Market conditions
- Health plan coverage levels
- Presence of case management

85% of plans that bid or renewed their stop-loss coverage stayed with the incumbent insurer.
(down from 90% in the 2022 dataset)

About the 2023 Dataset

Segal has maintained a national medical stop-loss database since the ACA eliminated annual and lifetime dollar limits on essential health benefits.

242 plans

2,200 covered participants per group on average

Range of policy year effective dates
February 2022 to January 2023

The rapid rate of change in newly approved medical technology and procedures requires a close inspection of the coverage language offered by each stop-loss insurer. Segal subject matter experts carefully review stop-loss contract provisions to make sure policy language aligns with a plan's coverage needs, so sponsors can secure coverage that meets their expectations.

To discuss the adequacy and competitiveness of your plan's stop-loss coverage compared to plans in Segal's 2023 dataset, contact your Segal consultant or Michael S. Tesoriero at 212.251.5280 or mtesoriero@segalco.com.

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