

Company, Financial & Product Overview



HM Insurance Group (HM) delivers financial risk protection, working to create solutions for self-funded employers, ceding carriers, providers, health plans, business partners and the broker communities who serve them. With more than 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 high-dollar claims. The company also delivers assumed Accident and Health reinsurance and Provider Excess insurance to a range of risk-bearing entities.

Backed by sound business practices and financial judgment, HM uses a stable business model and risk management expertise to underwrite and service the risk exposure of our customers. We build strong relationships with producers, partners and clients, bolstering their confidence in our ability to address a range of situations related to financing health care costs. That confidence is sustained by our ability to deliver smarter solutions, better performance and unparalleled support in helping to protect the financial stability of our policyholders.

HM FAST FACTS

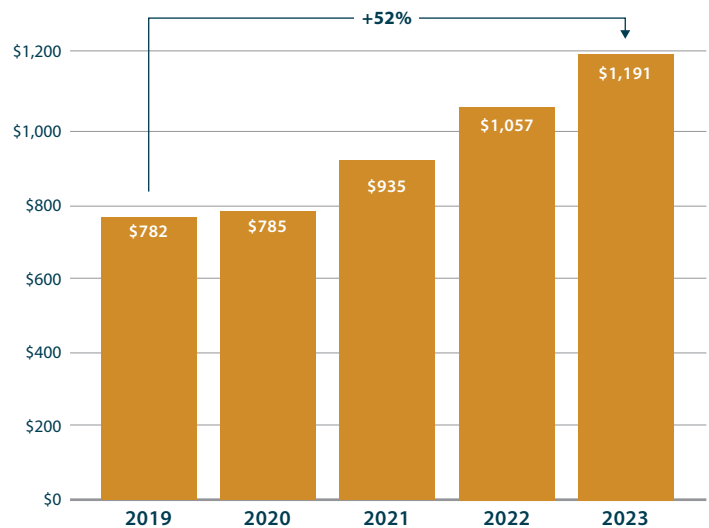
- HM Insurance Group member companies are all rated "A" (Excellent) by AM Best Company.**
- As of December 31, 2023, the company's in-force premium was nearly \$1.2 billion.
- HM has total assets of \$1.36 billion and shareholders' equity of \$791 million.
- HM has grown its Stop Loss business by around 50% since 2020.
- In 2023, HM paid nearly \$825 million in claims across all product lines.
- Through its insurance companies, HM holds licenses in 50 states and the District of Columbia and maintains 18 offices nationwide.

Financial Strength

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

In 2023, Stop Loss, HM's core product, exceeded \$1 billion in gross premium for the second year and, since 2019, has seen a greater-than-52 percent increase in gross premium.

In-Force Stop Loss Gross Premium (in millions)



Products

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

Features and options include:

- Aggregating Specific Feature
- Bridge Renewal
- Monthly Aggregate Accommodation
- Funding
- Specific and Aggregate Terminal Liability

In addition to traditional Stop Loss, HM also offers small group/level-funded and consortium/block Stop Loss solutions.

HM Specialty: Assumed Accident and Health Reinsurance and Provider Excess Insurance

Experts in risk management, HM Insurance Group's HM Specialty team provides reinsurance quota share and excess coverage solutions for accident and health carriers, captives and health plans, as well as excess loss insurance for providers. With decades of experience in the health reinsurance and insurance space, the company looks to further develop and continue to provide custom, client-specific solutions.

Clients look to HM for these coverage options that can help to expand their capacity, stabilize their underwriting results, gain surplus relief, secure catastrophic financial protection, spread risk and access expertise in underwriting, among other opportunities.

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 PharmDs 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.

For more information, contact your HM sales representative or visit hmg.com.

*MyHealthGuide, LLC, June 2023.

**AM Best Company, September 2023.

Company statistics gathered through HM Insurance Group January 2024 Line of Business Report and other HM Insurance Group internal analysis.

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, Provider Excess Insurance is underwritten 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 (09/20) or similar. In New York, Provider Excess Insurance is underwritten under policy form series HMNY PEL 1105 or similar. In all states except New York, Assumed Accident and Health Reinsurance is underwritten or reinsured by HM Life Insurance Company, Pittsburgh, PA, or Highmark Casualty Insurance Company, Pittsburgh, PA, under form HM1005-ELR or similar. In New York, Assumed Accident and Health Reinsurance 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.



800.328.5433 | hmg.com