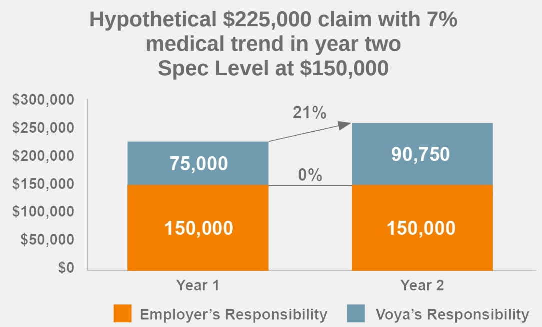
Stop Loss Insight Series
Leveraged Trend Report

Report for: ABC Company
Deductible: $200,000

What is "medical trend" and "leveraged trend"?

Medical costs rise from year to year due to a number of components, including: new, specialized treatments; shifting utilization patterns; evolving technologies; and changes in provider contracting and billing practices. As used in this report, "medical trend" refers to the anticipated increase in medical costs from one year to the next.

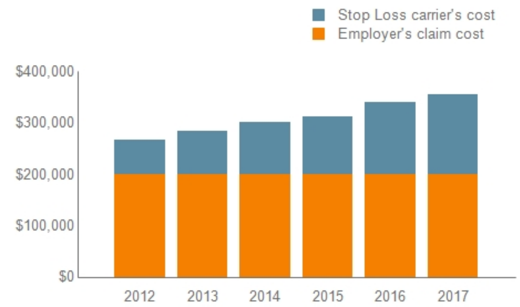
Because medical trend increases costs year over year, if the same deductible level is maintained, a larger percentage of total claims will be transferred to the Stop Loss carrier under the Stop Loss policy, resulting in potentially higher premiums. This is how medical trend is leveraged by the fixed deductible and, the resulting increase in excess claims is what we refer to as "leveraged trend."



The illustration to the right shows the impact on a hypothetical claim where medical trend is 7%. Maintaining a specific deductible of $150,000 year over year yields a 21% leveraged trend increase in claims above the specific deductible threshold.

Impact on a single claim[1]

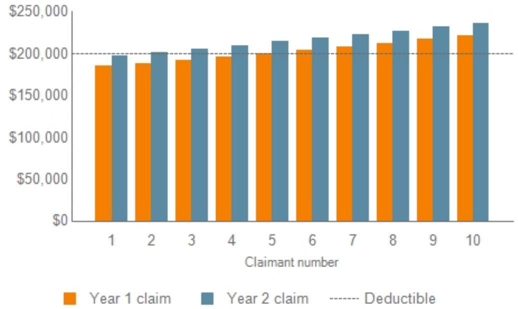
The illustration to the right shows the average annual claim cost to the employer and Voya at a $200,000 deductible, using the annual medical trend statistics from Voya's Stop Loss experience data. If the deductible remains the same year over year at $200,000, the amount of each claim ceded to the Stop Loss carrier under the Stop Loss policy increases at a much faster rate and is, therefore, leveraged when compared to underlying medical trend.



	2012	2013	2014	2015	2016	2017
% of claim paid by Stop Loss carrier	25%	30%	34%	36%	41%	44%
% of claim paid by employer	75%	70%	66%	64%	59%	56%

Impact due to multiple claims

The hypothetical illustration to the left shows 10 claims incurred on a Stop Loss policy with a $200,000 deductible in year 1 and year 2, as well as an assumed underlying medical trend in claims of 7%.* While 5 claims exceed the deductible in year 1, if the deductible stays the same the following year, 9 claims will exceed the deductible, and the Stop Loss carrier, under the Stop Loss policy, will take on a larger percentage of total claims.



*Based on average medical trend. [1]Based on actuarial analysis of proprietary historical and/or claims data covering over 20,000 high-cost claimants. For use by brokers and employers only.

This is a summary only and results may vary. Stop Loss Insurance is underwritten by ReliaStar Life Insurance Company (Minneapolis, MN) and ReliaStar Life Insurance Company of New York (Woodbury, NY). Within the State of New York, only ReliaStar Life Insurance Company of New York is admitted, and its products issued. Both are members of the Voya® family of companies. Voya Employee Benefits is a division of both companies. Product availability and specific provisions may vary by state.