

# No New Laser with Rate Cap at Renewal Option

This two-part protection can make the renewal experience more predictable. The option addresses the concerns presented by new lasers and unexpected rate increases at renewal.

## Extra stability and predictability for your renewal

Add this option and enjoy:

- increased stability and predictability of the plan's fixed expenses,
- fewer surprises if claims experience during the year was high, and
- greater control over stop-loss premium amount.

## How it works

### No New Lasers at Renewal Option <sup>1,2</sup>

With this option, when the policy renews, no “new” lasers will be applied to the renewal policy year, unless requested by the policyholder. However, the carrier may add a laser to the renewal policy for subsequent policy years. A “laser” is a higher deductible, a coverage limit, or an exclusion placed on an individual who has incurred or may incur large health care claims. A “laser” can be a straight laser or it can be a conditional laser based on certain events happening.



### Renewal Rate Cap

When an employer chooses the No New Lasers at Renewal option, the employer also receives our Renewal Rate Cap for additional cost control. At the next renewal, the stop-loss carrier will not increase the Specific rate for the new policy year by more than 50%, regardless of claims experience, unless there are material changes to the plan. <sup>3</sup> The Renewal Rate Cap also applies to any Aggregating Specific deductibles that may be in place. Any Renewal Rate Caps apply only to the subsequent renewal offer.



1. Subject to underwriting approval.
2. Not available on all groups.
3. Material changes include changes to the Stop-Loss deductible, claims basis, group demographic mix, commission level, TPA, or benefits plan design. If a material change occurs, as determined by the carrier, they will first determine the Specific rate for the new policy year using the Renewal Rate Cap. Then, they will factor in the material change to produce the new policy year rate.
4. Please refer to your actual stop-loss policy details for carrier specific terms.

