

BenefitPort Proven Results

Abating the Influence of High Claims



Client

Washington State public entity with 1,200 employees, fully insured.

Situation

The Client had a 15-year history with its vendor and had claim deficits exceeding \$750,000, which were contractually recoverable into future years.

One of the key reasons that the contract had not been updated to industry levels was that a dependent child had incurred a serious injury resulting in the need for extended skilled nursing care, which was provided in this outdated contract with unlimited lifetime benefits. The employer was uncertain that litigation would result from a change in the contract while the claim was open. The claim had exceeded \$2,000,000 and was still open with annual claims around \$250,000.

Solution

BenefitPort was able to negotiate with a new carrier to take on the account with a special "take-over" provision for the disabled dependant and provide a new lifetime benefit of skilled nursing care. We also found a provision in the prior carrier's contract that allowed us to extend coverage to the family for one additional year (at no cost to the client).

The employer resolved the issue of "unlimited lifetime" benefits with the family, and now coverage will end after \$1,250,000 is expended on this disabled dependent from 1/1/99 forward. The employer now has a more marketable group for future years with the new carrier.