

Own the Risk. Share the Protection. Retain the Upside.

A direct-writer captive model that keeps more premium working for employers while protecting against large claims.

SINGLE-PARENT OWNERSHIP

MEMBER-OWNED REINSURANCE

DIRECT CLAIMS + CLINICAL REVIEW



HOW THE PROTECTION STACKS

Each layer absorbs the next level of risk, while ownership and performance stay closer to the employer.

LAYER 1

Employer captive

Funds claims to the selected specific deductible / captive premium layer.

LAYER 2

medTRANS

Takes the next \$1.25M through reinsurance from the employer captive.

LAYER 3

Synergix Re

Member-owned reinsurer takes the next \$2M layer.

LAYER 4

Admitted A+ rated Excess carrier

Protects risk above the Synergix Re layer.

OWN THE STRUCTURE

Build an employer-owned asset - not another pooled expense.

1 STRUCTURE IN PLAIN LANGUAGE

- **Single-parent captive:** Each employer owns a captive with its own EIN, tax return and financial statements - not part of one large pool.
- **Balance-sheet treatment:** Consolidated under GAAP when the owner exhibits control and owns greater than 51% of the subsidiary.
- **medTRANS risk pool:** Shares large-claim risk while each employer retains ownership of its results and capital.
- **Direct writer:** Handles underwriting, claims payment and clinical review internally, reducing fronting-carrier layers.

2 WHERE PREMIUM DOLLARS GO

- **About 90%** funds stop-loss claims in the working layer; about 10% funds G&A and excess premium expense.
- **Employer impact:** More dollars fund care and risk; favorable performance can build an employer-owned asset.

3 CAPITALIZATION + COMMITMENT

- **Initial capital:** Paid once within 12 months; may be funded throughout year one.
- **Three-year design:** Employers may leave at any time, but the model is a three-year investment - not a one-year price play.
- **Exit economics:** Before year three, losses may reduce capital. After three years, capital returns in full even with underwriting loss; profit adds underwriting gain.

SHARE THE PROTECTION

Layer protection around large and difficult claims.

4 PROFITABILITY + STEWARDSHIP

- **Historical distributions:** Average distributions have been about 32% of premium; some groups reached 50-60% in stronger years.
- **Your results stay yours:** Surplus remains with the employer captive instead of being diluted across a mega-pool.

5 LAYERED STOP-LOSS PROTECTION

- **Employer captive:** Funds claims to the selected specific deductible / captive layer.
- **medTRANS:** Takes the next \$1.25M above the specific deductible.
- **Synergix Re:** Takes the next \$2M, offering members more favorable-performance upside.
- **High-end protection:** Risk above that layer transfers to an admitted A+ rated excess carrier.

6 PREDICTABILITY FOR HIGH-COST CLAIMANTS

- **Rate caps:** First renewal: 20% + trend; second renewal: 40% + trend.
- **LASER schedule:** First renewal: 2x specific deductible; second renewal: 4x; third renewal: 6x.
- **Why it matters:** Provides defined renewal guardrails while supporting the long-term health of the shared risk pool.

KEEP CONTROL + UPSIDE

Preserve flexibility, stewardship and a clear path forward.

7 ADMINISTRATION, NETWORKS + COMPENSATION

- **TPA/PBM flexibility:** medTRANS is vendor-agnostic and can work with many established platforms.
- **Broker compensation:** Commissions are not embedded in the stop-loss premium filing. Compensation can be handled separately through the TPA on a PEPM basis.

8 NEXT STEPS

Bring the right stakeholders.

Follow up with the broker and/or group leadership team to review:

- Captive structure + balance-sheet impact
- Sample performance + distributions
- Response to difficult plan years + high-cost claims

~90%
WORKING LAYER PREMIUM

~32%
AVG. HISTORICAL DISTRIBUTION

80+
EMPLOYER CAPTIVES

30,000+
LIVES

THE BOTTOM LINE

Own the captive. Share catastrophic risk. Keep more premium working for the plan. Retain the upside.

Direct Structure: How Risk Moves

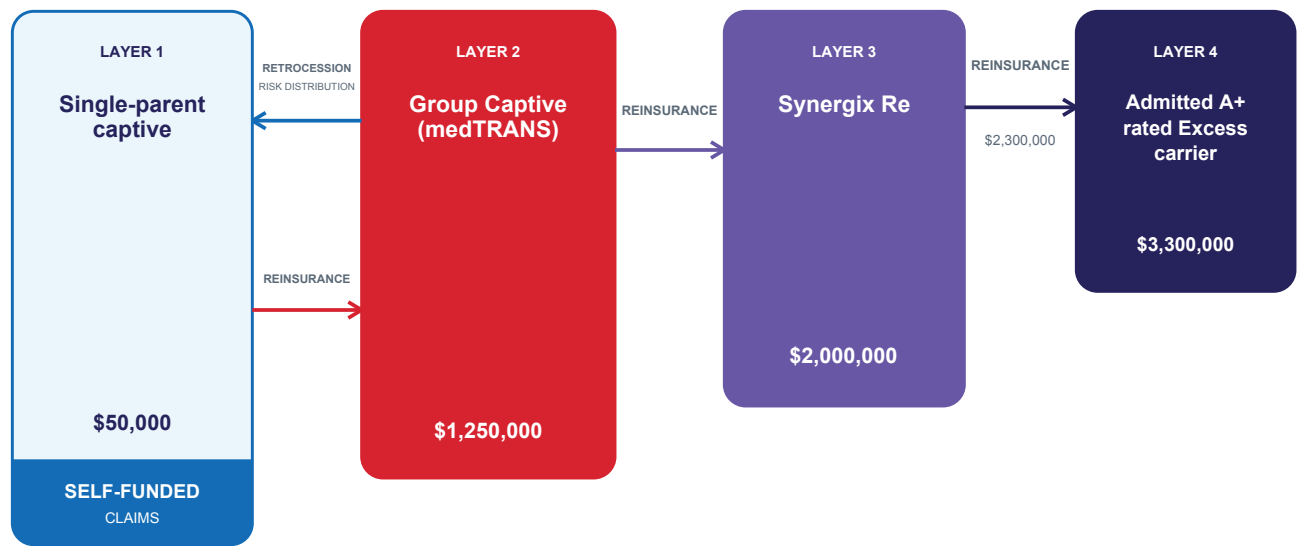
A detailed view of the single-parent, medTRANS, Synergix Re and admitted excess protection layers.



- EMPLOYER CAPTIVE
- medTRANS
- SYNERGIX RE
- EXCESS CARRIER

RISK LAYER ARCHITECTURE

Coverage moves through four distinct ownership and reinsurance layers.



HOW RISK MOVES

From policy issuance to excess coverage.

- 1 Each single-parent cell issues the **stop-loss policy** to the employer.
- 2 Risk is pooled at **medTRANS**, with cession back to cells for risk-distribution purposes.
- 3 medTRANS retains **\$1.25M** and buys reinsurance from Synergix Re. Synergix Re retains **\$2M** and buys reinsurance from an admitted A+ rated excess carrier.
- 4 Risk passes through layers and dimensions to accommodate **aggregate and specific** coverage.

LAYER VALUES

AS SHOWN

\$50K

SINGLE-PARENT

\$1.25M

medTRANS

\$2M

SYNERGIX RE

\$3.3M

ADMITTED A+ EXCESS

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