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July 2, 2012

E-mail: E-OHPSCA-STOPLOSS.EBSA@dol.gov

Re: Request for Information Regarding Stop Loss Insurance

The Risk and Insurance Management Society (RIMS) is pleased to offer these comments in response to the Request for Information Regarding Stop Loss Insurance issued by the Department of Labor, the Department of Health and Human Services, and the Department of Treasury (RFI). The Risk and Insurance Management Society, Inc. (RIMS) is a not-for-profit organization dedicated to advancing the practice of risk management, a professional discipline that protects physical, financial and human resources. Founded in 1950, RIMS represents over 3,500 industrial, service, nonprofit, charitable and governmental entities. The Society serves more than 10,000 individuals representing its member companies/organizations in 80 chapters across the United States and Canada.

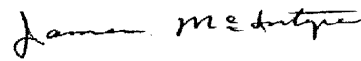
In response to question number one, it is very common for companies, particularly larger companies, to use stop loss insurance in connection with self-retained risk programs, including health insurance. The usage varies, based upon how much risk an organization decides it can retain and use stop loss insurance to cover its losses over that amount. Most stop loss insurance used to cover excess losses related to health plans has an individual attachment point and an aggregate loss attachment point. Larger companies utilize stop loss insurance so that they can afford to offer broader and more affordable health plan coverage to their employees and also because when companies retain these risks, they avoid the frictional cost of first-dollar insured plans. Many smaller companies use stop loss insurance so that they can provide their employees with health care coverage. Without it, they would not be able to provide coverage to their employees.

Stop loss insurance is used in a number of lines of business by companies to protect themselves against catastrophic losses. It is important that stop loss insurance not be considered as health insurance because stop loss insurance insures the entity against losses above a predetermined amount. Stop loss insurance does not pay employees for their health care costs—that is the employer's liability and responsibility. Stop loss insurance is a product that reinforces a health plan and that allows employers to provide health care coverage to their employees. RIMS does not have specific data to answer other questions raised in the RFI. Such data would have to be derived from insurance companies, companies utilizing stop loss insurance, and organizations such as the Self-Insurance Institute of America, which represents self-insured health plans.

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From a risk manager's perspective, stop loss insurance is an integral part of enterprise risk management and protects the company from catastrophic costs. It is important that stop loss insurance used in support of health insurance plans not be considered health insurance and not be regulated as health insurance. To do so could jeopardize the ability of many companies to provide broad and comprehensive health plans to their employees.

Sincerely yours,

A handwritten signature in cursive script that reads "James T. McIntyre".

James T. McIntyre
Counsel to the Risk and Insurance
Management Society

JTM:tm