

Association Health Plans and Captives

AHP

- Groups of employers that band together by geography or industry to obtain healthcare coverage as if they were one single employer
- Recently brought to light due to Trump's Executive Order passed in June 2018 allowing for expansion on this concept

Did you know?

- AHP's are a decades old concept
- Same as a MEWA (Multiple Employer Welfare Arrangement)

CAPTIVE

- Insurance companies that are owned and controlled by insured to insure the risks of its owners who, in return, benefit from the captive insurer's underwriting profits (Single-Parent Captives)
- Common types: single-parent, group captives, rental captives
- A group captive is an insurance company owned and controlled by unrelated organizations
- Key Advantage – costs are kept centralized, no outsourcing of premiums, provides control over the insurance experience
- Key Disadvantage – Capital investment at risk (must be capital available in reserve if there are claims that must be paid)