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Stop Loss Operational Performance 2010 Report

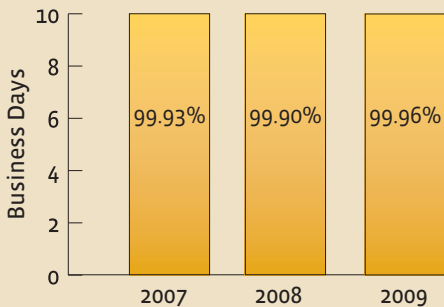
HM Operational Performance Adds Up to Smarter Answers Faster

As a leading Stop Loss carrier, HM focuses its experience and risk management expertise to consistently deliver an exceptionally high level of performance for its producers, TPAs and policyholders. Our “Smarter Answers Faster” commitment begins before a proposal is delivered and continues through underwriting, installation, claims management, medical cost management and renewal. All services are under HM’s control, and clients have access to HM’s top decision-makers to ensure we deliver on our promise.

Claims Management Capabilities Are Faster, More Accurate and Generate Savings

Faster claims reimbursement impacts the policyholder’s bottom line, and HM’s claims management expertise drives quick payment without sacrificing accuracy. As a direct writer, HM does not need to secure approvals from an outside reinsurer to pay its claims. With decision-making responsibility in house, more than 16,000 – or 99.96% – of all claims were processed in less than 10 business days in 2009, with greater than 99% technical and financial accuracy.

Greater than 99% of Claims Processed in Less than 10 Business Days



Claim Processing Accuracy Exceeds 99%

Accuracy	2007	2008	2009
Technical	98.93%	98.75%	99.52%
Financial	99.99%	99.77%	99.98%

Speed isn’t everything. HM matches its claim payment capabilities with equally accomplished clinical expertise and cost containment practices.

Our excess risk managed care coordinators enhance the TPA’s efforts by reviewing notices of potential claimants for savings opportunities, following potential third party recovery situations and adding aggressive out-of-network discount programs and Centers of Excellence to maximize cost savings for catastrophic claims. Over the past three years, HM has generated savings of more than \$27 million through its cost containment efforts. It’s a totally smart approach to generating savings for our clients.

HM’s Numbers

2007 – 2009

- **Claim Processing**
99.9% of claims are processed in less than 10 business days
- **Claim Accuracy**
99% accuracy
- **Savings From Cost Containment Program**
More than \$27 million in the last three years
- **Proposal Generation**
Less than seven business days
- **Sold Case Turnaround Time**
Average less than 15 business days

Fast Facts

- HM Insurance Group member companies are rated A- (excellent) Stable by A.M. Best
- HM is a direct writer of Stop Loss coverage with licenses in 50 states
- More than approximately \$450 million annual Stop Loss revenue
- “Ward’s 50” top-performing insurance company for 2009 based on financial performance¹
- HM insures more than 950 self-funded plans with Stop Loss, covering 1.1 million employees

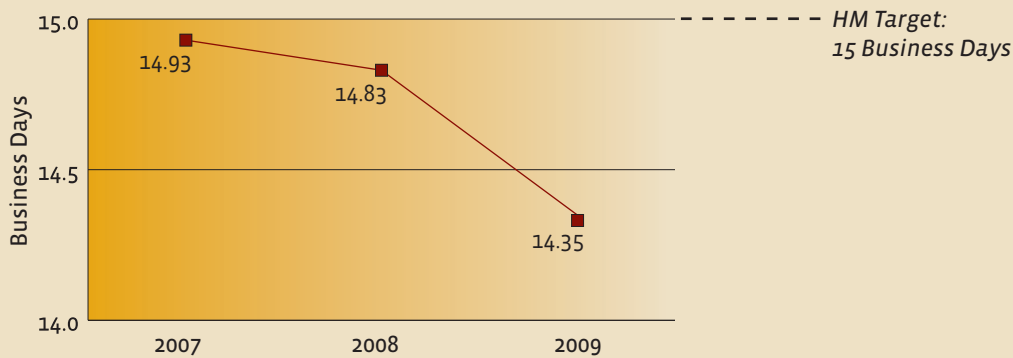
¹Ward Group, Top 50 Life-Health Companies (July 2009).

Financial data gathered from the HM Insurance Group 2009 Line of Business Report and other internal sources.

Answers to Challenging Health Risk Solutions Come from Underwriting Expertise

Smarter health risk solutions come from expert underwriters at HM who team up with our regional sales consultants to identify best-in-class approaches to Stop Loss coverage. HM's thorough approach to creating a proposal includes gathering key information, identifying risks and addressing the policyholder's financial requirements. On average, HM provides a proposal in six business days upon receipt of complete information. Once HM receives acceptance of the proposal, HM will complete the process on average in less than 15 business days, including a completed contract and case installation. Now that's a fast answer. And smart.

Sold Case Installation Average Turnaround Time Continues to Improve



eServices Provide Administrative Services to Boost Client Performance

HM's eServices capabilities are designed to make administration as fast (and painless) as possible for producers, TPAs and policyholders. Contracts, administration guides, commission statements and claim status can be viewed online. Commission payments can be direct deposited.

Through eClaims, HM can import claim data submitted by the client, saving the costs and time associated with submission of paper claims. With the HM eBill option, bills can be viewed and the number of lives adjusted and paid online. Our online tools are simple, immediate and accurate to ensure that our clients get smarter answers faster.

For more information, contact your HM sales representative or visit smarteranswersfaster.com.



IT'S OUR POLICY TO PROTECT.

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