

HealthCap[®] Affinity

For the Senior Care Industry

Why is HealthCap Affinity needed?

Conventional liability insurance companies have not properly rewarded senior living communities that have had excellent claim history. These traditional insurance companies benefit from the profits that result when they consistently charge these communities much more in insurance premium than the claims they expect to pay on the communities' behalf. Rarely is any of this profit shared with these exceptional senior living community clients.

How did HealthCap respond?

As a member-owned and member-governed insurance provider, HealthCap is only interested in providing full liability coverage at fair rates. HealthCap Affinity is an innovative insurance program that allows select senior living communities the chance to capture underwriting income by joining together with other associated communities.

With HealthCap's support, this "affinity group" of similar senior care communities joins together in a unique insurance arrangement:

- The group sets aside a portion of each member's premium to fund an affinity group "retained limit account", say in the amount of \$1 million
- The first losses by any member of the group are paid from this group retained limit account
- Any losses in excess of this account are paid by HealthCap, up to the full per-location policy limits of each affinity group member's HealthCap policy

The key benefit is that unused funds belong to the Affinity Group members

When all claims are closed for a given policy year, remaining funds held in the retained limit account are returned to the affinity group members. In the event the funds held in the retained limit account are depleted, then HealthCap continues to pay claims up to the individual member's policy limits.

Accessing HealthCap Affinity

HealthCap products are available only through a select group of independent insurance agents that are specialized in providing insurance solutions to the senior care industry. These agents possess integrity, energy, and unparalleled industry expertise.

HealthCap provides a family of liability insurance products for the long term care industry. Since 2001, HealthCap has grown to become a top-5 liability insurance provider for the industry, with over 1,700 insured facilities and offering a broad array of liability insurance products.

HealthCap has a range of liability insurance products to meet the needs of any senior living care provider:

- Occurrence or claims-made
- First dollar or retention
- Primary or excess umbrella
- Captives

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