



# Risk-Based Capital & Surplus Management

**Just how much surplus should you maintain? Is state mandated RBC levels enough? How do you integrate your business needs with prudent risk management? How do you establish and defend risk margins?**

For health care organizations to succeed over the long term, it is mandatory they regularly update their risk profile and determine appropriate capital and surplus requirements. Prudent business practice often requires greater surplus than proscribed in minimum RBC levels. Business risks needs to be identified, assessed, and dynamically reflected as the business grows and changes to be sure appropriate capital and surplus is maintained.

## **How can AHP help?**

AHP consultants have broad experience with capital and surplus management and have developed a health plan market database of capital and surplus needs. We apply our integrated disciplinary approach to risk assessment.

- Provide data on market surplus levels type of health plan/carrier
- Establish benchmarks and targets for surplus levels and develop profit management tools and targets for pricing and ongoing management
- Provide stochastic and scenario-based modeling tools examining the surplus needs for various product and growth projections
- Review reinsurance solutions for surplus and capital needs

## **Why Axene Health Partners?**

AHP consultants have worked with clients and regulators in defining both management tools and statutory regulation for the allocation and monitoring of profits and surplus. We have worked with a variety of clients as they define their unique capital and surplus goals. We have also worked with health plans as they convert from not-for-profit status to for-profit status or prepare for an IPO.

For more information, contact us at [info@axenehp.com](mailto:info@axenehp.com).